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Behind bars in a Kuwait courtroom, some of the 14 defendants accused in an alleged plot to murder former President George Bush listened to testimony during their trial on Monday.

Don't Try to Retaliate, U.S. Warns Baghdad

Compiled by Our Staff From Dispatches
WASHINGTON — The United States warned Iraq on Monday not to try to retaliate for the U.S. cruise missile strike on Baghdad. Vice President Al Gore warned: "It would be unwise for Saddam to retaliate in any capacity because that would receive a response." Baghdad has said at least eight people died in the raid Sunday.
 President Bill Clinton said a report from his national security advisers confirmed that "we did, in fact, cripple the Iraqi intelligence capacity."
 Meeting with his cabinet, Mr. Clinton said: "The action I took, I thought, was clearly warranted by the facts. The United States will do what it can to combat terrorism. It is plainly what we ought to be doing."
 Mr. Gore, making the rounds of television talk shows, said it was impossible to predict how the Iraq leader would react to the raid.
 Asked if U.S. officials expected President Saddam to retaliate by attacking the Kurdish

Raid's Success Exaggerated, Intelligence Aides Admit

By Elaine Sciolino
New York Times Service
WASHINGTON — Although President Bill Clinton asserted on Monday that the U.S. missile strike against Iraq had crippled its intelligence capability, senior administration and intelligence officials acknowledged that he may have overstated the case.
 Mr. Clinton told reporters Monday morning that he had received a report from his national security adviser, W. Anthony Lake, "confirming that we did, in fact, cripple the Iraqi intelligence capacity, which was the intent of the action."
 Tomahawk cruise missiles fired from U.S. warships in the Gulf and Red Sea destroyed one wing of the six-story sea headquarters of the Iraqi intelligence service complex in the heart of Baghdad.
 The complex is the headquarters of the Mukhabarat, the security arm and domestic and foreign intelligence operation of the ruling Ba'ath Arab Socialist Party, senior U.S. intelligence officials said.
 One of these officials likened the complex to "a Central Intelligence Agency on the Tigris."
 Although the attack destroyed the communications and computer centers in the operational wing of the intelligence building, it is believed that General Sabir Duri, the head of the Mukhabarat and a close associate of President Saddam Hussein, and his senior aides were not in the building when the missiles struck during the night hours.
 Moreover, Mr. Saddam uses overlapping, somewhat redundant, intelligence and security services to keep order.
 The U.S. did not attack Iraq's three other services, including the powerful Military Intelligence Agency, which is located to the Iraqi Armed Forces' general headquarters and is headed by a half-brother of Mr. Saddam, Sidawi Ibrahim; the State Internal Security, or Amn al Amn, which primarily deals with internal security, and the Special Security, or Amn al Khass, Mr. Saddam's personal security and intelligence police located across from the Presidential Palace.
 Iraqi intelligence cells in many of Baghdad's embassies abroad are still capable of carrying out terrorist attacks, as the Iraqi Embassy in Jordan did last December when it had an Iraqi chemical engineer assassinated when he tried to escape either to the United States or Britain.
 Intelligence officials concede that Mr. Clinton may have exaggerated when he said that Mr. Saddam's intelligence capacity had been "crippled."
 They said that the Iraqi leader could easily use the communications equipment in the Military Intelligence Building or the Foreign Ministry if he chose.
 And senior U.S. officials said that Mr. Lake's briefing to Mr. Clinton had focused on the extensive damage to the Mukhabarat headquarters buildings, not to Mr. Saddam's intelligence networks.
 Mr. Clinton's sweeping statement about the significance of the attack recalls the assertions by President George Bush and General H. Norman Schwarzkopf during and after the Gulf War.
 At that time, they emphasized that the American-led coalition had destroyed Iraq's nuclear bomb capacity — only to learn later that the bombers had failed to destroy any of the targeted nuclear sites.

European Chemical Firms Cry for Protection

By Tom Buerkle
International Herald Tribune
BRUSSELS — Through two world wars and more than a century of change, the original plant of the Belgian chemicals company Solvay SA stood as a proud reminder of the firm's founder, Ernest Solvay, and its industrial prowess.
 So earlier this year, when the company was forced to close the plant built in 1864, the cost of Europe's recession hit home hard.
 Now Solvay and much of Europe's chemicals industry is hitting back, joining other once-dominant corporate giants across the Continent in demanding protection from a world that has suddenly grown overwhelm-

ingly competitive and an economy that continues to spiral downward.
 Shutting down the mother plant at Couillet and a second soda ash plant in Heilbronn, Germany, will cost 540 jobs at Solvay. But the impact goes well beyond that, as fears rise across Europe that unbridled global competition is threatening traditions as well as a way of life. The pressure is generating new demands for protection from cheap imports

from the United States and Eastern Europe to an industry that traditionally has resisted protectionism.
 "We hope that the European commission will defend European industry," said Baron Daniel Janssen, chairman of the executive committee at Solvay. "We try to convey to the European commission that there is a better way than pure laissez-faire, laissez-passer, and no thinking."
 The call for new import barriers is an appeal to be allowed to restructure with less haste, and to guarantee a healthy European industry ready to profit when the economy rebounds. It is an echo of pleas by Europe's steel, auto and textile industries, among others.

Mr. Janssen and other industry bosses deny being protectionist and readily admit a need to get their own houses in order to remain competitive. They are slashing jobs, shifting to higher-value products and seeking new markets and production facilities in the Americas and Asia.
 Solvay and other producers of soda ash, which is used to make glass and detergent, are calling on the European Community to reimpose anti-dumping duties on natural soda ash from the United States. U.S. supplies have taken nearly 10 percent of the EC market since previous duties were lifted in 1990. Moreover, broadly, chemical companies are demanding

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Germany: Reunified, but a Nation Without a Dream

By Marc Fisher
Washington Post Service
BERLIN — Sometime before the end of the century, most likely after he wins a fourth term next year, Chancellor Helmut Kohl will leave office and the vital connection between a consolidated, insecure new Germany and the confident Germany that rebuilt the country after World War II will slip into history.
 Mr. Kohl's generation of Germans born toward the start of Nazi rule was "blessed by the mercy of late birth," as the 63-year-old chancellor often says. Scared by fascism but too young to bear responsibility for its crimes, these peo-

ple built a new society. They will carry their pride over to their graves.
 Now, however, a new generation of politicians is taking over, people born toward the end of the war, people who know their parents started from nil but who never had to face hardship themselves.
 They include many Germans derisively tag the "Tuscany faction" of the opposition Social Democratic Party — stylish, richly tanned politicians who spend their leisure

months in Italy and have ambivalent attitudes toward power and leadership.
 "We lack the strong personalities with the will of leadership and the readiness to run a personal risk," said Norbert Gansel, 52, a top Social Democratic legislator. "My party and my generation are not prepared to fight things through."
 The problem, he added, is that German politics, unlike American politics, cannot appeal to a national dream. "There is no German dream," Mr. Gansel went on. "There is only a German nightmare. People talk about returning to normalcy now that the Wall is down.

What does 'normalcy' mean in German history? And what does 'return' mean?"
 "There's a certain hedonism to my generation," said Claus Leggewie, 43, a political scientist. "We've had no terribly difficult challenges. The politicians of this generation act as if being German is unpleasant. The idea that Germany now has to take on new responsibilities is very uncomfortable for them because it means they must decide what Germany's interests are."
 Almost four years after the fall of the Berlin Wall, reunified Germany finds itself in a tangle of questions about its identity and its capacity

See GERMANY, Page 6

Computer Net Is Creating a Global Gabfest

By John Burgess
Washington Post Service
WASHINGTON — It may be the world's most eclectic community: scientists and comic book fans, hunters and gun-control activists, prudes and pornographers, kindergartners and septuagenarians, computer hackers and their trackers, rock-and-rollers and classical musicians, Serbs and Croats.
 It is perhaps 15 million strong and growing. Members almost never meet face to face. Scattered all over the world, they are bound together by a computer communications system known as the Internet. Ham radio operators use the airwaves; this new global tribe uses satellites, fiber-optic cables and desktop computers to trade a varied flood of information.
 Such of it is brief "electronic mail" messages typed on computer keyboards. But increasingly the network is shuttling video footage, photos, government studies, novels, dissertations, music, sounds — information of all kinds in the digital form that computers understand.
 "The size of the planet is no boundary to communications," writes Jeff Ashurst, a resident of Britain responding by E-mail to a Washingtonian's electronic query.
 Along the way, the Internet has evolved into a culture of remote intimacy, in which people convey love and contempt, excitement and boredom without laying eyes on each other.
 They rail at each other in electronic "forums" on subjects that run from genetic research to European elections. They jump to the aid of fellow network navigators who have a problem, such as how to combat disease in Africa, or just need to know something — a good hotel in Chiang Mai, Thailand, for instance.
 Today the network is open to anyone who has a personal computer with a modem and communications software, a phone line and an account with a computer services company linked to the Internet.
 To begin a session, the home user commands his or her computer to use the phone line to link up to a "host" computer. Messages typed on the home screen are sent over the phone line to the

Kiosk

2 Killed as U.S. Troops Fire on Somali Crowd

MOGADISHU, Somalia (AP) — U.S. helicopter gunships opened fire on a Somali crowd on Monday, killing at least two Somalis, after a sniper shot and killed a Pakistani soldier.
 The UN military spokesman, Major David Stockwell, said Pakistani troops had been searching for weapons in a building when they came under sniper fire. One soldier died and two were wounded, he said. U.S. troops called to provide air cover fired 20mm guns into an armed crowd, killing the two Somalis, Major Stockwell said.
 The fighting, the latest in a string of clashes following the UN's assault on General Mohammed Farrah Aidid, continued as darkness fell.

Dow Jones		Trib Index	
Up	39.31	Up	1.07%
	3,530.20		102.77
The Dollar			
New York	Mon. close	previous close	
DM	1.696	1.7089	
Pound	1.4983	1.4787	
Yen	106.25	106.285	
FF	5.716	5.745	



KURDISH PROTEST IN AUSTRALIA — Police arresting one of 25 Kurds who occupied UN offices Monday in Sydney in protest of Ankara's treatment of Kurds in Turkey. Kurdish guerrillas fired on a passenger train, wounding six people. Page 8.

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The Apocalyptic Charm of Europe's Social Season

By Suzy Menkes
International Herald Tribune
PARIS — It looked like a setting for "La Traviata": a mansion filled with fine furniture, in need of a polish and carrying sale tags. Le Tout Paris is picking over the gilded commodes, the Winterhalter portrait with a hole through the canvas, the regal porcelain, the family albums, and the diamond and sapphire jewels once worn by the last queen of France.
 Entree stage left, the Comte de Paris, the head of the Orleans branch of the French royal family, with a hangdog expression, and a smiling Princess de Beauvau-Craon, a Sotheby's director. The count knows (although guests at last week's

private dinner did not) that five of his nine surviving children were about to launch a court action to stop his selling the family heirlooms, now that he is open to his last five châteaux.
 He sings wistfully an opening aria, "You Can't Take It With You When You Go." Or, to be more precise, he justified the Orleans family fire sale, which was to have taken place at Sotheby's Monte Carlo on July 3 and 4 — to raise money for the Fondation Saint-Louis, which maintains the Chateau d'Amboise and France's royal patrimony.
 "It is moving because it is the last time I shall see everything together — and it is 50 years of my life," he said. "But as you get older you get philosophical. You realize that you come into the world with nothing and leave with nothing."

Enter stage right, the Comtesse de Paris, plump and indignant, her eyes fixed on the sapphire-and-diamond diadem, with marching corsage brooch, twin pins, earrings and bracelet medallion. The picture had been made in 1863 for Queen Marie-Amélie, the wife of Louis-Philippe.
 "I can't take it with me to paradise, that's certain," she sniffed. "Nothing belongs to me. It all belongs to the Comte de Paris and he wants to sell them for his Chateau d'Amboise."
 She sits down at one of the dinner tables, while a chorus of potential purchasers circle the jewels: Sio Schimberg in a waft of navy Chanel chiffon and globular pearls announcing.

Peres Joins In the Clamor For 'Gaza First' Approach

By David Hoffman
Washington Post Service
JERUSALEM — Foreign Minister Shimon Peres joined the growing number of Israeli politicians on Monday urging that the Israeli-occupied Gaza Strip be turned over to Palestinians "as soon as possible" and that the Israeli Army retreat from most of the area.
 Mr. Peres endorsed what has come to be known as the "Gaza first" option in which Israel would transfer self-governing powers to the nearly 800,000 Palestinians in Gaza prior to settling the more sensitive issue of control over the West Bank.
 Mr. Peres said Israel would be ready to transfer power to the Palestinians in Gaza if both sides agreed on a joint "declaration of principles" now being discussed in the Washington peace talks. It is not certain whether

such an agreement will be reached anytime soon. Mr. Peres said the idea of Gaza first is "in the air, not on the table" in the Washington talks.
 In the past, Palestinians have had mixed reactions to the idea of Gaza first. While opposing any separation of the West Bank from Gaza, some Palestinian leaders have expressed interest in a compromise that would permit early transfer of power in Gaza, along with a small part of the West Bank, such as Jericho.
 Prime Minister Yitzhak Rabin supports "implementing" self-rule first in Gaza, but only when the broad terms are worked out for Palestinian autonomy to both the West Bank and Gaza, according to his spokesman, Gad Ben-Ari.
 While Mr. Peres' remarks rarely carry the clout of Mr. Rabin's decisions, his comment reflects how the Gaza first idea is gaining currency among Israeli leadership. Public opinion surveys have consistently shown that a majority of Israelis have no desire to continue holding Gaza, captured from Egypt in the 1967 Six Day War. A teeming mixture of refugee camps, densely packed towns, citrus groves and beaches, Gaza is often the scene of the most violent clashes between Israeli soldiers and Palestinians.
 Several of Mr. Rabin's cabinet members, led by Health Minister Chaim Ramon, have called for a unilateral pullout from Gaza, but critics say such a sudden retreat without any political agreement would leave a dangerous power vacuum and trigger civil strife among rival Palestinian factions.
 "We shall not create a chaotic situation, under no circumstances," Mr. Peres said. A unilateral pullout "may have the danger of

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JAVICO USA

Pentagon Mised Congress on Arms, 8 Studies Find

By Tim Weiner
New York Times Service

WASHINGTON — Government investigators have concluded that military officials misled Congress about the cost, performance and the necessity of many of the most expensive weapons systems built in the 1980s for nuclear war against the Soviet Union.

The Pentagon understated the cost of nuclear missiles by billions of dollars, it deliberately overstated the radar-evading ability of the new generation of nuclear bombers, and it exaggerated the threat posed by Soviet weapons and defenses, according to eight secret reports from a three-year study by the General Accounting Office, an investigative arm of Congress.

The reports describe misrepresentations by military officers to preserve weapons programs that the investigators concluded the nation did not need. Present and former military officials have vigorously denied any misrepresentation.

The investigators said that Congress decided to spend up to \$350 billion on new nuclear weapons systems, including the B-1B and B-2 Stealth bombers, cruise missiles, and the MX intercontinental ballistic missiles, partly on the basis of inflated assessments, inaccurate testimony and misleading reports. Today, the B-1B fleet is grounded by mechanical and electronic problems, the fledgling B-2 has yet to pass its flight tests, and the role of nuclear missiles in national defense has been diminished by the collapse of the Soviet Union.

The investigators said their study was the first thorough analysis of the nuclear arsenal performed by a government agency outside the Pentagon, and the first performed inside or outside the Pentagon in more than 30 years.

Caspar W. Weinberger, secretary of defense from 1981 to 1987, disputed the investigators' findings, as did Pentagon officials and spokesmen.

"There was never any concealment of any kind," Mr. Weinberger said from his home in Maine. "There never was the slightest suggestion we gave Congress false information to persuade the Congress to give us something we didn't need."

The investigators found otherwise.

Their analysis of the weapons found "dubious support for claims of their high performance, insufficient and often unrealistic testing, understated cost, incomplete or unrepresentative reporting, lack of systematic comparison against the systems they were to replace and unconvincing rationales for their development in the first place," an assistant U.S. comptroller general, Eleanor Chelmsky, said in a summary of the reports.

In a finding that could be debated by historians, the reports concluded that the Pentagon created an exaggerated image of American vulnerability to a Soviet nuclear attack in secret studies that were shown to select members of Congress in 1981 and helped to fuel the military buildup of the Reagan administration.

The buildup accelerated in October 1981, when President Ronald Reagan and Mr. Weinberger announced their "strategic modernization" program to rebuild every one of the nation's major air-land-and sea-based nuclear-weapons systems at once.

Today, only the new sea leg of that triad, the Trident D-5 submarine-launched missile, has lived up to expectations, the reports concluded.

After reading the summary, Mr. Weinberger called it revisionist history written by accountants.

"This analysis was done without any understanding of how it looked to us in 1981," he said. "Yes, we used a worst-case analysis. You should always use a worst-case analysis in this business. You can't afford to be wrong. In the end, we won the Cold War, and if we won by too much, if it was overkill, so be it."

Senator John Glenn, Democrat of Ohio, will request a formal Defense Department investigation into the findings, his aides said.

The senator is chairman of the Governmental Affairs Committee, which commissioned the studies.

Senator Glenn, also a member of the Senate Armed Services Committee, plans to summon General John M. Loh, who heads the Air Force Air Combat Command, before the Armed Services Committee on Tuesday to discuss the air force's promotion of the now-grounded B-1B bomber, according to a Pentagon spokesman.

The B-1B and the B-2 nuclear bombers were intended to replace the aged but reliable B-52 bombers that have served the air force for decades. Ninety-six B-1Bs were built at a cost of about \$28 billion; 20 B-2s are being built at a cost of more than \$44 billion.

The air force talked about the new bombers' Stealth technologies, which reduce the degree to which enemy radar can detect them. The ability to evade radar is measured by an aircraft's "radar cross section," which refers to the amount of radar an aircraft reflects.

The air force maintained that a B-1B radar cross section was one one-hundredth that of a B-52. That statement was deliberately falsified, the report concluded. The air force said it did not lie, but inadvertently disclosed incorrect information. The correct figure remains a secret.

Court Halts Vote Plan For Racial Minorities

The Associated Press

WASHINGTON — State legislatures may be violating white voters' rights by creating congressional districts designed to give minorities an electoral majority, the Supreme Court ruled Monday.

In other cases, the court ruled unanimously that government seizures of property from convicted drug dealers cannot exceed constitutional limits on fines or punishment.

And the court cleared the way for a trial in a huge lawsuit by 19 states against four insurance giants and other carriers, holding that the companies are not exempt from federal antitrust law.

The 5-to-4 decision in the voting rights case revived a challenge to a congressional redistricting plan for North Carolina that created two majority-black districts. The challenged plan was drawn to satisfy a Justice Department objection to a previous plan drawn up by the state legislature.

The decision could jeopardize action in other states that recently created so-called majority-minority districts to comply with the Voting Rights Act.

The court issued its ruling on the final day of the 1992-93 term — also the last day on the bench for Justice Byron R. White, who is retiring after 31 years. President Bill Clinton has nominated a federal appellate judge, Ruth Bader Ginsburg, to succeed Justice White. Her Senate confirmation hearing is scheduled for next month.

The ruling on the Voting Rights Act came on a challenge by two white voters who contended that the North Carolina legislature's 1992 redistricting plan amounted to "racial gerrymandering."

The two contested congressional districts are among about two dozen new districts across the United States with black or Hispanic majorities. They were created under Justice Department pressure following the 1990 census. As a result, 13 additional blacks and six more Hispanics were elected to Congress last year.

"Racial classifications of any sort pose the risk of lasting harm to our society," Justice Sandra Day O'Connor wrote for the court. "They reinforce the belief, held by too many for too much of our history, that individuals should be judged by the color of their skin."

Justice O'Connor was joined by Chief Justice William H. Rehnquist and Justices Antonin Scalia, Anthony M. Kennedy and Clarence Thomas. Justices Byron White, Harry A. Blackmun, John Paul Stevens and David H. Souter dissented.

In another case, the court ruled unanimously in a drug-forfeiture case from South Dakota that the government may not seize so much money or property that it violates the constitutional ban on excessive fines or cruel and unusual punishment.

The forfeiture of money and property by convicted drug dealers is punishment "and, as such, is subject to the limitations of the Eighth Amendment's excessive fines clause," Justice Harry A. Blackmun wrote for the court in the South Dakota case.

The Supreme Court ordered lower courts to review the case of Richard Lyle Austio to determine whether his constitutional rights were violated by the forfeiture of his home and business after he pleaded guilty to a drug charge.

The justices, by a 5-to-4 vote, said the lawsuit filed by 19 states against four insurance giants — called by state officials "a nuclear attack on the insurance industry" — may go forward in a federal trial court in San Francisco.

The 1988 suit alleges that four insurance firms — Actua Casualty and Surety, Allstate, Insurance Company of North America and Hartford Fire — conspired with underwriters to shrink coverage offered in "commercial general liability" insurance to state and local governments and to businesses.

WORLD BRIEFS

South Africa Seizes White Extremists

JOHANNESBURG (Combined Dispatches) — A police crackdown on white extremists who raided South Africa's democracy talks resulted in 21 arrests Monday, and rightist groups threatened retaliation.

A police spokesman said four were arrested Sunday night, seven Monday morning and 10 Monday afternoon in connection with the armed attack on the World Trade Center. A mob burst into the talks Friday behind an armored car battering ram. The negotiations, which resumed Monday under tighter security, are due to try to affirm an election date.

A spokesman for the Afrikaner Resistance Movement, which led the assault on the center, said its leader, Eugene Terre-Blanche "warns that an explosive situation is being created by these contemptuous methods." He added "Thousands of angry commando officers are watching the situation." (A.P. Reuters)

Armenians Said to Gain in Enclave

BAKU (U.S. Associated Press) — Armenian forces have seized the last major Azerbaijani-held town in the disputed enclave of Nagorno-Karabakh, officials and local news outlets said Monday.

The loss came as a rebel Azerbaijani commander, Surat Huseynov, who deposed Azerbaijan's elected president last week, was pouring troops, tanks and rocket-launchers into the war zone.

Armenians took advantage of the political crisis to start a weeklong offensive in northern Nagorno-Karabakh. By Sunday, they had taken a strategic town known by Azerbaijanis as Akdere and by Armenians as Mardakert, the Armenian Defense Ministry and the Azerbaijani news agency, Azeriinfo, said. The Interfax news agency said there were heavy civilian casualties.

Cuban Civilians Train to Repel Raids

MEXICO CITY (AP) — Nearly 4 million Cuban civilians engaged in weekend military exercises designed to prepare the nation for a possible foreign attack, the official Cuban news agency said.

Wearing volunteer uniforms of green slacks and light blue shirts, Havana residents gathered in fields, parks, and sports complexes Sunday to practice tasks they have been assigned to perform in the event of an attack on the island, Prensa Latina said. Millions of Cubans belong to militias and paramilitary groups, and civil defense exercises are held periodically.

Cuban officials fear an attack from the United States, especially since the United States recently tightened its three-decade trade embargo against Cuba.

Typhoon Kills 5 in Southern China

BEIJING (AP) — The typhoon designated Koryn lashed the coasts of southern Guangdong Province, killing five people, the Xinhua press agency said Monday. The storm had previously killed four people in Hong Kong and at least six in the northern Philippines. The authorities said 183 were injured in Hong Kong.

The Chinese report did not say how the five died when the typhoon hit Guangdong on Sunday night. Xinhua said Baiyun Airport in Guangzhou was closed, stranding more than 5,000 passengers. It did not say when it reopened.

In one county, the storm destroyed several thousand homes, and high tides caused severe breaches in dikes, the report said. Early Monday, the Royal Hong Kong Observatory downgraded Koryn to a severe tropical storm after it hit the coast of southern China and weakened.

Pilot Is Blamed for Crash in Nepal

KATMANDU, Nepal (Reuters) — Pilot error caused the crash of a Pakistan International Airlines Airbus near Katmandu last year in which all 167 people on board were killed, according to an international investigation team.

One of the pilots misreported the plane's altitude by 1,000 feet (about 300 meters) as the plane approached Katmandu airport, according to the report.

"Why and how that happened could not be determined with certainty because there was no record of crew's conversation on the flight deck," the panel said. The Airbus A-300, on a flight from Karachi, crashed Sept. 28. The panel said the plane did not have any technical fault. It also cleared air traffic controllers of any blame.

TRAVEL UPDATE

German Tourists Warned on Turkey

BONN (Reuters) — The Foreign Ministry warned German tourists on Monday that travel to southeastern Turkey was at their own risk after a bomb attack injured at least 23 people, including 12 European tourists, there.

"The attack in Antalya shows that there is no 100 percent safety despite great efforts by Turkish officials," the ministry said.

Nine Germans were injured, and two of them had to undergo emergency surgery, after the bomb was hurled into the garden of a boarding house in the Turkish Mediterranean resort town on Sunday night.

Yellowstone Blooms After '88 Fires

YELLOWSTONE NATIONAL PARK, Wyoming (AP) — Five years after wildfires ravaged the world's oldest national park and its surrounding forests, green is bursting out all over and visitors are coming to the park in record numbers.

"The new forest is in place and it's on its way," said Yellowstone's superintendent, Bob Barbee. Wildflowers, grass and lodgepole pine saplings have sprouted among the blackened trees. Lush thickets of greener run rampant, feeding on the ash and nutrient-rich soil in the park, which was created in 1872. But black patches remain, mementoes of the fires that swept through more than one-third of the 2.2 million-acre (890,000-hectare) park and its six surrounding national forests in Wyoming, Montana and Idaho from May to November 1988.

In 1987, there were 2.4 million visitors to Yellowstone. The next year, despite the fires, there were 2.2 million. In 1992, a record 3.1 million people visited the park.

The number of visitors to the Borobudur temple on Java, Indonesia's major tourist attraction, may have to be limited because the Buddhist landmark's structure cannot bear the weight. The Jakarta Post reported Monday, quoting the company that oversees the temple's upkeep. The paper said up to 300,000 people a month visit the temple, which was built between 750 and 850 and is the world's largest Buddhist monument. (Reuters)

TAP Air Portugal postponed or canceled many domestic and international flights on Monday in anticipation of a scheduled four-hour strike by 10,000 ground and in-flight personnel, a company spokesman said. It would be the ninth such strike since April to protest the state-owned carrier's privatization plan. (AP)

Boris Christoff, Basso, 79, Dies

The Associated Press

ROME — Boris Christoff, 79, one of opera's greatest basses and a legendary interpreter of Mussorgsky's "Boris Godunov," died Monday from the effects of a stroke suffered six years ago.

Mr. Christoff's list of roles was long — from Godunov to King Philip in "Don Carlo" and Fiesco in "Simon Boccanegra," and on through Mozart, Beethoven and Tchaikovsky. Aside from Godunov, he also specialized in Verdi's grand old men and kings.

To most roles he brought psychological insight and meticulous phrasing. His voice was not overly large, but focused and rich, and he was comfortable singing in Italian, German and Russian.

He was born in Bulgaria, became an Italian citizen and lived in Rome for 40 years. He earned a law degree in Bulgaria and joined an amateur choir. The country's ruler, King Boris, heard him and was so impressed he sent the young bass to study in Rome.

He perfected his German repertoire in Salzburg, where he led a choir of Russian refugees at the end of World War II, later staying in a displaced persons' camp.

He made his stage debut in Rome in 1946 and went on to sing in Milan, Edinburgh, San Francisco, Chicago, London, Paris and New York. He also brought Russian songs to an international audience. His last performance was eight years ago in a concert at Carnegie Hall.

Zdenek Kopal, Authority On the Moon, Dies at 79

New York Times Service

Zdenek Kopal, 79, an astronomer who was an authority on the moon and also on the pairs of stars known as "close binaries," died of prostate cancer Wednesday in Wiltshire, England.

Born in Litomyse, Bohemia, Professor Kopal founded three journals, including Icarus, an international publication on the solar system, becoming its first editor in 1962. He headed the department of astronomy at the University of Manchester in England from 1951 until his retirement in 1981.

He earned his doctorate in Prague and became a research fellow at Harvard Observatory from 1938 to 1940, a research associate in astronomy at Harvard University from 1940 to 1946 and an asso-

ciate professor at the Massachusetts Institute of Technology from 1947 to 1951. He wrote more than 30 books.

Richard O. Dowling, 62, an investment banker and philanthropist who helped finance a computerized reading and writing program for every public school in Mississippi, died of a cerebral hemorrhage Thursday in Stony Brook, New York.

George S. Lewis, 77, who led the New York chapter of the American Institute of Architects to a high-profile role in civic debates, died of prostate cancer Friday in New York.

Ralph Taylor, 89, a pharmacist who for half a century was co-owner and manager of Caswell-Massey Co., the oldest apothecary in the United States, died Thursday in Morristown, New Jersey.

11 Die in Ivory Coast Crash

Agence France-Presse

ABIDJAN, Ivory Coast — A bus crashed into a parked truck, killing 11 people and injuring 7 in central Ivory Coast, the police said Monday.

Talks Stall On Civilian Rule in Haiti

Reuters

NEW YORK — Talks to restore democracy in Haiti appeared stalled on Monday because the nation's military leaders were insisting on a power-sharing arrangement as part of restoring civilian rule, sources said.

The talks, which started Sunday, have brought the Haitian coup leader, General Raoul Cedras, and the deposed president, the Reverend Jean-Bertrand Aristide, to Governors Island here to negotiate a settlement through the UN mediator, Dante Caputo. The talks are the first between Father Aristide and General Cedras since the September 1991 coup.

Mr. Caputo had no comment on Monday after spending more than seven hours in talks with General Cedras the day before.

The sources said that General Cedras had proposed Sunday night that Father Aristide return to Haiti, but that the general and other military leaders remain in charge of the security forces.



General Raoul Cedras of Haiti, left, with the UN mediator Dante Caputo in New York.

U.S. Barred Arrest of Sheikh Tied To Blast

By David Johnston

New York Times Service

WASHINGTON — Federal law-enforcement authorities in New York concluded that Sheikh Omar Abdel Rahman, the radical Egyptian cleric, knew details of the plot to detonate bombs across the city and assassinate several officials but were prevented from arresting him at the last minute by the Clinton administration, government officials said.

The officials described the decision — debated in a series of meetings last week — as a hairline call ultimately decided by Attorney General Janet Reno on legal and tactical grounds, including Sheikh Abdel Rahman's usefulness as a powerful lens through which authorities examined the murky and violent world of Islamic extremism.

Moreover, as they considered preparing an arrest complaint, the officials concluded that some of the evidence against the sheikh was "fuzzy," as one put it, although investigators were convinced — on the basis of electronic monitoring that he knew about the plot. Their information was less clear about his precise role and how directly he was involved in specific actions, like selecting targets.

"It was a close call," a law-enforcement official said. "It was not a clear 'go' or 'no go' decision."

As the officials pondered how to deal with Sheikh Abdel Rahman, whose fiery sermons have incited violence among his followers in Egypt, they were guided by ancillary factors, including whether he represented a danger to others or might flee after the arrests. On both points, they decided the risks were not great, officials said.

Senior Clinton administration officials said foreign policy considerations had not played a role in their decision to allow the sheikh to remain at large, although they suspected him of being linked to the bombing scheme, one of the most audacious terrorist plots ever conceived in the United States.

They insisted that there was never any attempt to shield Sheikh Abdel Rahman from the law in response to diplomatic pressure, perhaps from Egypt, where there is concern about violence among the sheikh's followers if he is arrested.

Still, officials said that if they concluded that an arrest was warranted they could probably defend such an action in court.

Authorities may find it increasingly difficult to explain their reasons for allowing Sheikh Abdel Rahman to remain at large, based on his value as an intelligence asset. His usefulness appears likely to grow increasingly limited, especially since it has become known that the authorities have used him to collect information and since the disclosure that Emad Salem, Sheikh Abdel Rahman's part-time translator and bodyguard, had spied on the cleric, turning over a wealth of information to the government as a confidential informer.

One of the targets for assassination, Senator Alfonse M. D'Amato, Republican of New York, said that he was "outraged" that the sheikh had not been arrested.

"At this point, it is much more important to demonstrate to others that we have the ability and wherewithal and the will to stand up and do what we have to do," Mr. D'Amato said. "By arresting the sheikh and holding him, it doesn't mean you are going to stop these people. It means that we are serious about enforcing the law. I reject those who say we are going to make him a martyr. That's nonsense. He already has public adulation. So let him have it in prison."

Bonn Gives Aid to Zambia

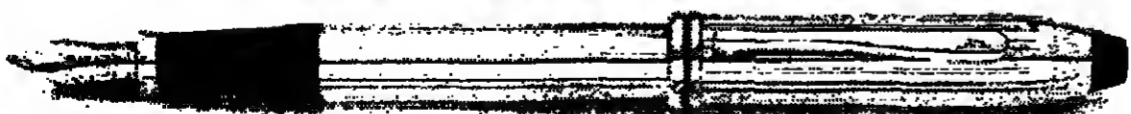
The Associated Press

BONN — Germany has given aid to Zambia amounting to 88 million Deutsche marks (\$55 million) to help maintain economic and democratic changes in Zambia.

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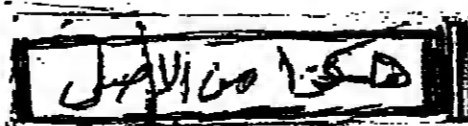


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STATESIDE / SCALING BACK

★ POLITICAL NOTES ★

Congress Turns Cold Shoulder to Big Science

WASHINGTON — It took more than strutting astronauts and brilliant astrophysicists to spawn the miracles of moonwalking, microchips and satellite communications. Congress wrote the checks.

But now the ink is running dry. The overwhelming House vote last Thursday to junk the superconducting supercollider proton-smasher was only the latest sign that the political consensus in favor of big science, writing for years, has now virtually collapsed.

Only the day before, the House endorsed the remodeled smaller-scale Freedom space station by a single vote, and there is no assurance the House will not reverse itself when it votes again on the program. The Senate is still a booster of space travel, but support is dwindling there, too.

"Having designed amateur rockets as a teenager," said Representative Jerrold Nadler, a freshman Democrat from New York, he noted the reluctance with which he voted against the space station. "But with a \$4 trillion national debt, difficult choices must be made," he said. "It simply does not rise to a high enough priority level to compete with social service."

Actually, the shift in priorities has been long in the making. Twenty-five years ago, congressional appropriations for scientific research made up 5.2 percent of the federal budget, compared with 1.7 percent this year.

"There is no lobby for the future," grumbled Senator Phil Gramm, Republican of Texas, the most prominent supporter in the Senate of the space station and the supercollider, which was being built in his state.

Tens of thousands of jobs are at stake in the two programs, which explain their bases of support in California, Florida, Louisiana and Texas, where the projects are being assembled. But while the National Aeronautics and Space Administration and the Energy Department have tried to spread out the contracts to as many states as possible, big science has only marginal economic importance to most states.

In the big-science heyday of the 1960s, jobs and other economic factors were not the primary incentives for exploration and development. The Cold War set a national priority to beat the Soviets to the moon. But with the collapse of the Soviet Union, and the defense applications of space and physics research now far less urgent, lawmakers are forced to grapple with the pure scientific pros and cons and only a few members of Congress are scientists.

That makes the big, expensive projects hard to sell, especially when they are plagued by annual cost overruns. (NYT)

For Germans, U.S. Capital is Hardship Post

The German Foreign Ministry brands swelter-prone Washington a maddening hardship post, rating it 5 on a scale of 1 (Geneva) to 12 (Mogadishu). (LAT)

Quote/Unquote

Ross Perot, on what he tells his callers "from privates to generals" who say they are troubled by President Bill Clinton's draft record and his efforts to lift the ban on homosexuals serving in uniform: "Show absolute respect for the office of the commander in chief. And there must be absolutely no breakdown there, ever." (LAT)

New Troika Turns Chaos Into Order At the White House

By Dan Balz and Ann Devroy
Washington Post Service

WASHINGTON — Five months ago, President Bill Clinton's new White House team had it all figured out.

They were going to operate efficiently by cutting the staff by 25 percent. They were going to circumvent the Washington press and go directly to the American people. They were going to recreate their own "war room" to run a permanent campaign. They were going to avoid the mistakes of President Jimmy Carter and emulate the successes of President Ronald Reagan. It's January in June at the White House, and after months of mistakes, missteps and setbacks, the dreams are less grandiose, despite signs of improvement.

Even after two good weeks for Mr. Clinton, his chief of staff, Thomas F. (Mac) McLarty remains guarded. The White House, he said, "is beginning, beginning to function effectively."

This week will provide another test for the administration. The White House faces decisions on homosexuals in the military, underground nuclear testing, the conflict between loggers and environmentalists in the Pacific Northwest, plus a report on the White House travel office and preparations for the economic summit meeting in Japan in early July.

Still, White House officials point to a series of recent events to argue that they have begun to turn chaos into order, including a successful prime-time news conference, a more aggressive communications strategy to gain Senate passage of Mr. Clinton's budget plan and a more orderly process for making decisions and sticking to them.

Officials said the strategy for moving Mr. Clinton's budget package through the Senate was an example of improved White House decision making. Officials concluded that they did not want to get into the middle of negotiations in the Senate, fearing either a deal they did not like or a breakdown in which they would be implicated. Instead, they concentrated on

the principles Mr. Clinton wanted in a final bill, then decided to move aggressively to "smoke out" the Senate minority leader, Bob Dole of Kansas, on the Republicans' alternative to recast the public debate in their favor.

The most significant operational change is the emergence of a top-level troika of Mr. McLarty, David Gergen, the communications director, and George Stephanopoulos, Mr. Clinton's senior adviser.

Mr. McLarty remains the White House chief executive officer, but without the all-encompassing portfolio enjoyed by some past chiefs of staff. Mr. Gergen and Mr. Stephanopoulos are seen as the top two strategic advisers in the building.

Mr. Gergen, who advised three Republican presidents, joined the staff last month, hoping to play a major role in policy development. Instead, he has concentrated almost entirely on helping Mr. Clinton frame and deliver a clearer message while beefing up the White House communications effort, trying to make it more effective on a day-to-day basis.

Mr. Stephanopoulos, the former communications director, now has a role that friends say more suits his talents: a Mr. Inside to Mr. Gergen's Mr. Outside. Working from an office next to the president's, Mr. Stephanopoulos spends much of his day at Mr. Clinton's side, providing greater continuity for the staff, concentrating on legislative strategy and taking on problems before they become crises.



A FAMILY AFFAIR — Jean Smith Kennedy, the new U.S. ambassador to Ireland, with relatives outside the old Kennedy family homestead at Dungannon, County Wickford. The reunion marked the 30th anniversary of a visit by her brother, John F. Kennedy.

Away From Politics

• A mansion owned by King Hussein of Jordan was engulfed by flames after an explosion apparently caused by a leak of natural gas, authorities in Palm Beach, Florida, said. The house was empty and no injuries were reported. The \$1.9 million house on the Intracoastal Waterway in northern Palm Beach is known as the Kimberly estate because it once belonged to James H. Kimberly, heir to the Kimberly-Clark fortune.

• Endeavour's astronauts failed to repair a water-recycling experiment aboard the space shuttle, despite efforts that last for much of a work day, and flight directors finally told them to give up. The National Aeronautics and Space Administration had considered extending the space shuttle's mission for a day if a clogged line in the prototype recycling system could have been fixed. The flight

is scheduled to end Tuesday morning. The recycling system is designed to purify waste water for drinking on a space station.

• Fast-moving debris carried by flood waters on the Mississippi River that forced the closure of more than 500 miles of the river is making a dangerous situation worse, the authorities said. The debris includes everything from tree limbs to picnic tables to dead deer. Commercial and most recreational uses of the river have been halted between St. Louis, Missouri, and St. Paul, Minnesota.

• A man sentenced to death for the rape and slaying of a 9-year-old girl had his sentence overturned by a judge in Towson, Maryland, after DNA tests showed that someone else had committed the crime. Prosecutors said they would not seek a new trial for Kirk Bloodsworth, 32, who had spent nine years in prison. The FBI confirmed earlier that tests on a small, previously undetected spot of semen on the girl's underwear proved that he had been wrongly convicted of the crimes.

• A Detroit News intern has been cited for contempt for telephoning a juror in a trial of three police officers while testimony was still being heard in the case, involving the beating death of a black motorist. A judge of the Detroit Recorder's Court ordered the intern, a summer employee of the newspaper, to serve part of his five-day jail sentence in the courtroom, dressed in prison garb. The ruling has been temporarily blocked by the Michigan Court of Appeals. It gave no indication when it would act on the judge's decision.

AP, NYT

Healthier, More Old People Are Avoiding Nursing Homes

By Barbara Vobejda
Washington Post Service

WASHINGTON — Federal figures made public Monday by the Census Bureau showed a slower-than-expected increase in the nursing home population during the 1980s, providing evidence that growing old need not lead inevitably to life in an institution.

Researchers said the numbers underscored other recent studies that found fewer elderly Americans suffering from the kinds of disabilities that historically have consigned them to nursing homes. The improvement stems both from healthier lifestyles and from technological advances that aid recovery from strokes, broken hips and other traumas of aging, according to specialists in gerontology.

At the same time, in the last decade there has been an expansion of services that allow older Americans to stay out of nursing homes — including home health care, graduated care facilities and assisted-living apartments.

Those alternatives grew in part because states have restricted the number of new nursing home beds, a response to the expense of supporting Medicaid patients in the costly facilities.

The figures, derived from the 1990 census, show that the nursing home population increased by 24 percent over the 1980s, while the number of people 65 and older — those most likely to live in nursing homes — increased by 35 percent.

The number of Americans living in nursing homes is just under 1.8 million, most of them elderly women.

U.S. and North Korea To Hold Talks July 14

The Associated Press

SEOUL — The United States and North Korea have agreed to reopen high-level talks in Geneva on July 14 on nuclear and other issues, Seoul officials said Monday.

The United States had hoped to reopen the talks this week, but North Korea insisted that they be held after President Bill Clinton visits Seoul on July 10-11.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The Attack on Baghdad

Clinton's Wise Choice

President Bill Clinton did what a chief executive had to do in retaliating against Iraq's failed effort to assassinate former President George Bush last spring...

No doubt lawyers could have found Mr. Clinton a way to act with others under a United Nations resolution bearing on Iraq. Instead, he chose to invoke Article 51 of the UN Charter...

Mr. Clinton has been under some criticism for an excessive dedication to "multilateralism" in his foreign policy. It was useful for him to demonstrate — to Gulf-coalition allies and others as well as to Iraq — the U.S. capacity to act alone in well-chosen circumstances...

Mr. Clinton mentioned linking Iraqi intelligence to the failed assassination plot against former President George Bush. On Sunday, UN Ambassador Madeleine Albright repeated the "firm judgment" of the Central Intelligence Agency that Iraqi intelligence was involved in planning the attack and building a car bomb...

There is another, even more sensitive reason for the administration to elaborate its case. Any time a chief executive who is in political difficulty at home undertakes a dramatic military action, he or she must be prepared to face questions about whether that action is intended to divert public attention and bolster support for the president.

The most obvious rationale for the attack would be the "compelling evidence" Mr. Clinton mentioned linking Iraqi intelligence to the failed assassination plot against former President George Bush.

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End Vietnam's Exile

France and Japan want to lend Vietnam \$140 million to pay off the old Saigon regime's debts to the International Monetary Fund. That would make Hanoi eligible for new international loans to help its market-oriented economic reforms.

It is a constructive idea. But it has been held up until now by stubborn opposition from Washington. Beyond a reasonable concern about missing servicemen, previous administrations have seemed determined to keep punishing Hanoi for winning the war almost 20 years ago.

The main argument against doing so comes from groups like the American Legion and diehard Republican senators. These insist that Vietnam still is not cooperating in resolving the cases of Americans listed as prisoners of war or missing in action since the Vietnam War.

It also serves as both a warning and a demonstration to Saddam and his supporters. Although Iraq may disappear from the front pages of the world media, it remains a concern of the international community.

Mr. Clinton's strike against Baghdad also cleared up a concern about the first U.S. leader to be elected after the end of the Cold War. The attack indicates he will not flinch at the use of force when circumstances dictate.

Mr. Clinton was criticized for not moving immediately after the assassination plot was discovered. Instead, he chose to move more carefully, and thus more accurately. This has lent even stronger emphasis to the attack.

The Iraqi leadership last year celebrated the election defeat of Mr. Bush and entertained thoughts of wooing Mr. Clinton. As so often in the past, Saddam was once again wrong. The president of Iraq must stop trying to lie, cheat and attack his way back into the world community.

capacity to act alone in well-chosen circumstances. That U.S. missiles struck Saddam Hussein's intelligence headquarters at an early-morning hour when few people might have been expected to be around underlines the "symbolic" nature of the American response...

Saddam remains in power. The thrust of American policy remains to react firmly against his depredations, to contain the expansion of his influence, to encourage a political opposition and to keep the pressure on for enforcement of the sweeping UN resolutions limiting both his military reach and his freedom to brutalize his citizens.

The American government wants to accomplish all this in a way that will bring Iraq closer to the other pariah of the neighborhood, Iran: "Dual containment." It is called. It is necessary a policy of the long haul, with many frustrations, in which well-justified acts like the strike on Baghdad may have to play a continuing part.

There are drawbacks in that approach. The secrecy around the targeting and the exact timing of the raid meant that there could be no advance planning for coalition action in Iraq if Saddam

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Other Comment

Saddam Is Justly Punished

clearly, when Iraq oversteps the conditions of the peace agreement it signed in February 1991, it must take the consequences. The continuing support of Saddam Hussein and his regime for international terrorism cannot go unpunished.

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A Fitting Attack on Iraq's Everyday Monsters

By Jim Hoagland

LONDON — President Bill Clinton told John Major weeks ago that if the evidence against Iraq was air-tight, America would retaliate militarily for the plot on George Bush's life. But when his telephone rang on Saturday afternoon with Mr. Clinton's heads-up call, the British prime minister still did not know the detail that would turn out to be the most important piece of the U.S. raid on Baghdad that night: the exact target.

By targeting the headquarters of Iraq's Mukhabarat, Saddam Hussein's murderous secret service,

This raid was part of a strategy, not an isolated act of revenge. It puts Clinton on the road to establishing a more effective policy against Saddam than the one pursued by Bush in his last 18 months in office.

Mr. Clinton chose a powerful symbol to establish his commitment to helping the Iraqi people eventually end Saddam's bloody reign. Mr. Clinton struck a blow at the feared monsters of everyday life in Iraq.

And by acting unilaterally against Saddam rather than with Britain and France, as Mr. Bush usually did, Mr. Clinton underscored that his administration will protect American interests abroad with its own power when that is appropriate.

There are drawbacks in that approach. The secrecy around the targeting and the exact timing of the raid meant that there could be no advance planning for coalition action in Iraq if Saddam

chose to strike back immediately by moving against the Kurds in northern Iraq or by taking United Nations inspectors hostage.

The U.S. reluctance over the past few weeks to consult on the exact target and date of the raid surprised British officials, who are proud of the extensive consultations they normally have with Washington on intelligence and military matters. The secrecy may well increase British anxiety about the special U.S.-Britain relationship.

The French, who had been told even less about America's plans than had Mr. Major, were also taken aback that Mr. Clinton's telephone call to President Francois Mitterrand on Saturday was the first notice they had of the raid. Paris responded with a cool statement supporting the strike but asking for "clarification" of U.S. policy toward Iraq.

But the U.S. assessment that Saddam would not respond immediately against the Kurds or the United Nations appears to have been accurate. And the gains that Mr. Clinton has achieved with his well-executed use of force abroad far outweigh the negative side effects of the raid.

The raid puts Mr. Clinton on the road to establishing a more effective policy against Saddam than the one pursued by Mr. Bush in his last 18 months in office. Mr. Clinton's strike against the 200-acre (80-hectare) compound occupied by the Mukhabarat was preceded by strong public support from the administration for democracy in Iraq and for the Iraqi National Congress, the most important opposition group working to topple Saddam. This strike was not an isolated, punitive act of revenge but part of a strategy.

In the coalition air raids that Mr. Bush approved after the end of Operation Desert Storm, the targets tended to be air defense missile sites, nuclear installations or weapons factories that were impor-

tant symbols of Iraqi defiance of UN resolutions. Such symbols have little direct meaning to the lives of the Iraqi population.

But Baghdadis know that thousands of innocent Iraqi civilians have been tortured to death in the Mukhabarat compound. In April 1980, in one of the most gruesome and significant assassinations to occur there, Saddam's secret police drove nails into the skull of Bakr al-Sadr, an important Iraqi Shiite religious leader, after raping his sister before his eyes. Other dissidents were poisoned with thallium. The compound was also the center of Saddam's foreign espionage and terror operations.

The deaths of eight or more innocent Iraqi civilians in the U.S. air raid on the compound are a cause for regret and sorrow, as Mr. Clinton was quick to say. Those accidental losses have to be measured, however, against the deliberate atrocities the Mukhabarat has committed there under the command first of Barzan al-Tikriti, Saddam's half-brother, and then under the current Iraqi intelligence chief, Abdel Majid.

Mr. Barzan now heads the Iraqi delegation to the United Nations organizations in Geneva, where he sits on the UN Commission on Human Rights. The Clinton administration should make his removal from that commission one of its next tasks.

Washington also needs to expand U.S. relief efforts inside Iraq to show that American interest there extends beyond bombing. Emphasizing humanitarian aid to Iraqis now would also lessen the painful contrast between the administration's bombing of Muslims in Iraq while declining to help them militarily in Bosnia.

Mr. Clinton is right to proclaim his use of force against Saddam Hussein a success. But much remains to be done before he can claim the victory over Saddam that eluded Mr. Bush, who would have become a victim of that failure if the car-bomb plot had succeeded.

The Washington Post

Get Serious on Russia Aid, or Brace for Disaster

By Dimitri Simes

WASHINGTON — Secretary of State Warren Christopher should know better than to send a cable to U.S. ambassadors, boasting of the Clinton administration's accomplishments in mastering international support for Russian reform.

As with many of the other initiatives, Mr. Clinton's aid to Russia, which started with bold promises, has been plagued by the inability to make difficult choices and withstand pressures.

Despite Mr. Clinton's brave proclamation that his "fast track" approach would lead to quick relief for Russian citizens, there has been little change in the scope or methods of providing Western aid.

A roadblock is the reluctance of the World Bank and particularly the International Monetary Fund to relax their loan requirements.

The U.S. administration has received plenty of advice that the culture and regulations of international monetary agencies make them vastly inadequate to deal with the situation in Russia, where U.S. interests are more political than economic.

The philosophy of these leading agencies is that one should not help people who are not doing enough to help themselves become good credit risks.

But President Boris Yeltsin was simply not in a position to subject his long-suffering people to shock therapy without seriously endangering Russian democracy.

To the administration's credit, it has understood the problem and placed U.S. interest in the salvation of democracy and benign Russian foreign policy above narrowly defined economic rationality.

The administration appears to be pushing the Group of Seven industrialized nations to act as well. But the IMF and the World Bank still have the responsibility for most of the assistance effort.

And the allies, particularly the British and French, are not quite ready to establish a new coordinating agency for Russia and the other post-Soviet states.

Meanwhile, another pillar of the Clinton program — the \$4 billion fund to help the privatization of Russian state-owned industries — was gutted last week by Japan's contemptuous dismissal and several European countries' tightfistedness.

Typically, once confronted with resistance, the administration has done little to bring the allies along. Also, despite the United States' 20 percent budget share in the IMF, Washington has failed to communi-

cate to the director, Michel Camdessus, that stonewalling on Russian aid might cost the agency dearly.

Similarly, U.S. aid to Russia is being delivered more slowly than promised. Disagreements over the sale of rocket engines to India caused the cancellation last week of a U.S. visit by the Russian prime minister, Viktor Chernomyrdin, preventing meetings on cooperation in space and high-tech research.

And the administration has given the American private sector only minimal encouragement to invest more in Russia. One problem is that the State Department, which is in charge of the aid effort, has no expertise in running a complex inter-agency assistance project with a major private sector role.

Although Mr. Clinton's principal lieutenants on Russia have impressive qualifications, this type of set-up cannot mobilize the bureaucracy or American society to support its former enemy at a time when foreign aid is extremely unpopular.

At the Group of Seven meeting in Tokyo next month, the administration must realistically approach the flaws of the program and develop suitable remedies. The key to success is to assign responsibility to a new organization to be established by the Group of Seven.

This was recommended in March by the Fund for Democracy and Development, and the administration now appears to recognize it. The organization should have a permanent secretariat, perhaps in Moscow. Joint commissions should be formed to give Russia and its neighbors a greater role than international financial bureaucrats have in shaping the assistance package.

In the United States, the administration needs to put more emphasis on private investment in Russia and the other new states that emerged from the former Soviet Union.

This requires a public-and-private entity on the model of the Marshall Plan, with sufficient prestige and authority to prepare recommendations to the Russian and U.S. governments on exactly what has to be done to enable American business to take advantage of the promising but very risky Russian market.

In Russia, this may require major changes in tax and property rights legislation; on the U.S. side, it may

need tax incentives, loan guarantees and low interest credits.

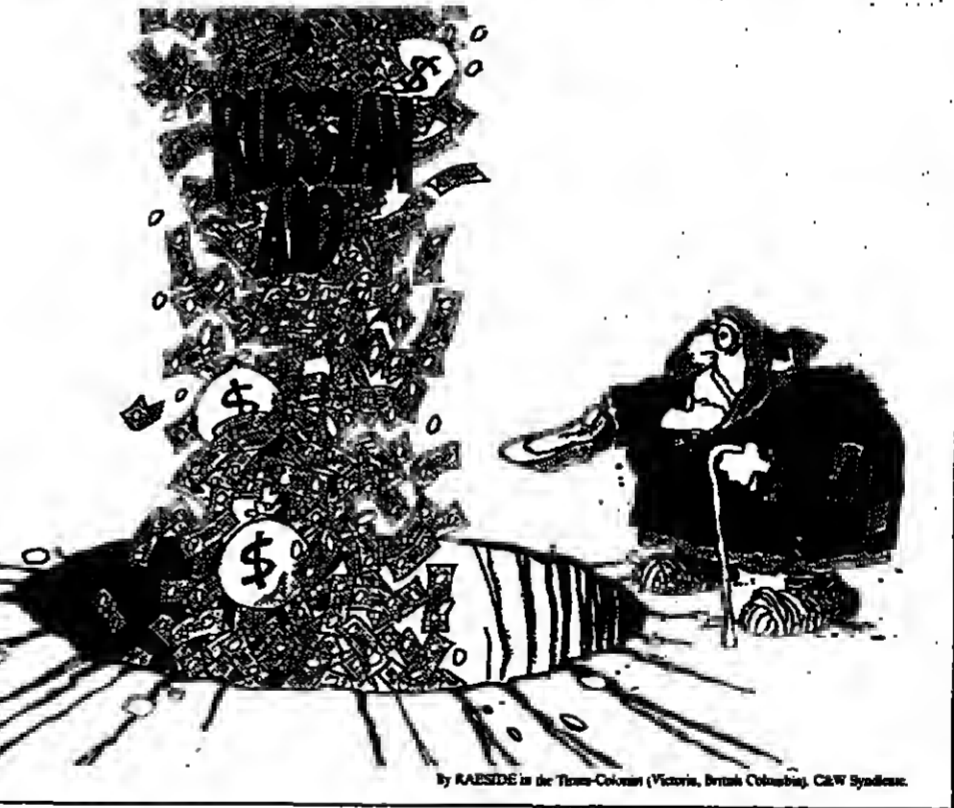
This entity should work closely with Strobe Talbott, the State Department's coordinator for the post-Soviet states. But it should be led by someone of sufficient stature and business experience to talk directly with both Presidents Yeltsin and Clinton.

The four civil wars in the post-Soviet region demonstrate the urgency of meaningful Western engagement before a cataclysm takes place. Unfortunately, that may be too late to leave any good options. For that complex engagement to have a chance to succeed, the administration has to treat it as the ultimate foreign policy priority.

Mr. Clinton has made clear that survival of a democratic and nongovernmental Russia is in America's interest and deserves its support, but he has to remember that policies are judged by results, not intentions.

The administration's sincerity on Russian aid is not in doubt. It is time to demonstrate seriousness.

The writer is a senior fellow at the Carnegie Endowment for International Peace. He contributed this comment to The New York Times.



By RALESIDE in de Thone-Couleur (Victoria, British Columbia, C&W Syndicate)

Vienna Will Be Remembered for What Wasn't Said

By Thomas Hammarberg

VIENNA — The first World Conference on Human Rights in 25 years has just ended. More than 4,000 government delegates returned home with an agreed statement in their briefcases. Good or bad news for those whose rights were violated?

Rather, no news at all. Delegates reaffirmed some basic principles that were agreed on long ago: That human rights norms are relevant in all parts of the world ("universality"); That both civil and political

The conference did not even begin to discuss the human-rights dilemmas posed by places like Iraq, Somalia and Bosnia.

rights as well as economic, social and cultural rights are important and interrelated ("indivisibility"); And that national sovereignty is no barrier against UN and other outside monitoring of the human rights observance of states ("legitimate international concern").

But not even the established principles could be agreed on in clear language. Freedom of press, for instance, seemed to be placed within the limits of national legislation, with nothing said about the specific character of such laws.

This is disappointing, but does not mean that the conference was useless. Talks are needed; many governments

have changed, or joined the UN, since the major decisions on human rights were made; hopefully, the conference was a learning experience.

What could be seen and heard, however, gave no impression of genuine dialogue. In the major plenary hall there was a long string of canned speeches and almost no replies. When China, Indonesia and Singapore assailed the practice of making foreign aid conditional on human rights observance, there was no real answer from any donor country.

In the drafting committee room, often closed to nongovernmental groups and other observers, the government delegates quibbled and avoided substantial discussion.

The more wide-ranging and rich discussions were those that took place downstairs. In the basement of the Austria Center, hundreds of nongovernmental organizations crowded the corridors and assembly rooms. Together they formed a dynamic force trying to exert pressure on the governments upstairs. They also had some impact on less sensitive issues: women's and children's rights and the rights of indigenous peoples.

But this could turn out to be less of a victory if no resources are given to international human rights work. Less than 1 percent of the UN budget is now allocated to the Human Rights Center in Geneva.

This is insufficient; some monitoring programs are now dangerously amateurish. A doubling of resources is needed during the next few years.

That would at least bring the Center close to half of the resources of one nongovernmental group, Amnesty International.

The conferences agreed on the need for more resources but, again, the language was vague. No really firm commitments were made. Hopefully, that can be remedied during the next General Assembly meeting.

Otherwise, the conference should be remembered for what it did not discuss. It did not even start an exchange on the serious dilemmas the UN faces as a consequence of grave violations in conflicts such as those in northern Iraq, Somalia and Bosnia.

How should the UN deal with abuses by militias and other groups not under governmental control? What concrete steps can be taken to protect minorities in such situations? How can communal violence be prevented? What meaning should be given to the right to self-determination?

In what situations should the United Nations intervene with force to protect people against rights violations? What legal support should be required for such actions?

Otherwise, the conference should be remembered for what it did not discuss. It did not even start an exchange on the serious dilemmas the UN faces as a consequence of grave violations in conflicts such as those in northern Iraq, Somalia and Bosnia.

A Pinprick Saddam Can Ignore

By William Safire

WASHINGTON — The most U.S. capital today is the "military options list" presented to President Bill Clinton after the FBI and CIA determined that the government of Iraq had tried to assassinate a former American president.

What were the Clinton choices after he saw the spid evidence that Saddam Hussein had tried to exact vengeance for his Desert Storm defeat? Forget the unrealistic extremes of doing nothing, or of sending a half-million men back to the Middle East to finish George Bush's half-done job.

The real decision was this: Does America's commander in chief respond by using U.S. air power to seriously damage Saddam's war machine and economic base — setting back all hopes of recovery by years — and driving home the lesson to state terrorists from Baghdad to Tehran to Khartoum that American retaliation will be swift and fierce? Or does he respond by making a solemn speech that hints at a pinprick attack?

Mr. Clinton chose from among the weakest military options. He could have ordered air strikes on the suspected new missile factories, chemical plants and nuclear facilities that Saddam is refusing to let United Nations inspectors see, and crippled the air defenses that now "illuminate" U.S. patrolers in the no-fly zone.

He could have directed U.S. bombers located in Turkey to devastate Saddam's Republican Guard, some of his disarmed armor, now lined up in tanks and armored vehicles threatening the Kurds and Shiites.

He could have turned out the lights in Iraq and set back its oil-production capacity, which — combined with a reduction of his Republican Guard and the arming of the anti-Saddam forces in the North — could endanger the regime itself.

Not one of these reactions required UN approval; the murder plot was against a U.S. president. But Mr. Clinton chose the course that Stewart Alsop used to label "phony-tough." He threw a score of missiles at a building after his officials had left for the day.

This restraint was promptly rebuffed by doves: Representatives Pat Schroeder and Lee Hamilton hailed the risk-free demonstration of technology as "proportionate," as if the life of a U.S. president is worth one medium-sized office building.

But when one head of state tries to murder another, that is an act of war. If clear evidence had shown that Fidel Castro had ordered the killing of President John F. Kennedy, then President Lyndon Johnson surely would have used military force to depose the regime in Havana. (Mr. Bush's remark to the anemic Clinton response was to say he supported American troops — which, translated, means "shoot a bunch.")

The National Security Council recommendation was camera-driven, not mission-driven. Clinton sides were more concerned with pictures of civilian casualties than with making an impact on the power reality in Iraq and the region. "We didn't want the story the next day to be a parade of dead secretaries," a triumphant administration spokesman told me.

While the White House concentrated on how any military response would play on television screens, nobody put it all into a strategic context. Saddam and Syria's president, Hafez Assad, are sponsoring the assault by a terrorist Kurdish faction on Turks in Europe and in Turkey, fostering tension in Germany among Turkish and Kurdish "guest workers," keeping Turkey's "guest workers" keeping Turkey in turmoil.

Saddam Hussein has a plan and Bill Clinton does not. This would have been the moment for the United States to crack back creatively. While the U.S. Air Force pounded Saddam's elite guard from bases in Turkey, American diplomats should have been forging an alliance of the new government in Ankara with the great majority of responsible Kurds to force out Saddam.

Maybe that is too complicated for the new team; maybe it thinks its pitiful wrist-slap will be taken for serious resolve; or maybe it thinks the United States can deal with state-sponsored terrorists by sending them a "proportionate" message rather than teaching them an unforgettable lesson.

If America's anti-terror policy is to send messages circumscribed by what is to appear on screen, then Saddam and similar potentates will get the feeble Clinton message all too well: There is little risk in trying to assassinate a U.S. president or knock out a U.S. city.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Royal Outing

LONDON — A vast concourse of spectators was present in Kensington Gardens yesterday [June 28] when the Queen unveiled the jubilee statue of herself, executed by Princess Louise. A loyal address from the inhabitants having been presented, Princess Louise tendered to Her Majesty a silken cord attached to the Union Jack enveloping the statue. The Queen passed it to the Prince of Wales, who uncovered the memorial, while the troops presented arms and the bands played the National Anthem. Fifty little children, dressed in dainty costumes designed by Princess Louise, advanced with baskets of flowers which they ranged around the statue.

1913: Germans Prostrate With The British Armies

The Germans in Belgium are suffering from what they call "Flanders gripe," which is similar to the disease widespread in Spain and Great Britain. It is reported that the victims suffer from high fever, followed by complete prostration, and are unable to perform their duties for a week or ten days. Prisoners say that there are many cases of this disease in the hospitals and in the camps behind the front lines. Typhus and dysentery have also occurred in the German lines south and west of Lille.

1943: Home to Japan

WASHINGTON — [From our New York edition:] New submarine successes and aerial attacks in the Pacific were announced today [June 28] by the Navy, as publication of testimony of Deputy Chief of Staff Joseph McNamery, before a Senate subcommittee, disclosed the Army's intention of bringing the war home to Japan "in a most violent and destructive way." American submarines operating in enemy waters have sunk eight more Japanese ships, including a destroyer and a large transport, and have damaged two others.

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Vertical text on the right margin, including the word "Africa" at the top and other illegible text.

OPINION

South Africa's Urgent Voyage

By Anthony Lewis

EMPTON PARK, South Africa — When hundreds of ultra-rightist whites the other day smashed into the hall where South Africa's future was being negotiated, they achieved a paradoxical result. They made clear how urgently necessary it is to conclude the talks and move toward a democratic government that has the legitimacy to govern.

There is reason to think that, despite all the troubles, the transition to a new politics may be at hand.

unchanged: a gun-toting white mob hardly challenged by the police, who would surely have used at least tear gas and probably weapons against a black protest half as violent.

permanent future system of "power-sharing" in which the government would include losing parties as well as the winner. "Simple majoritarianism" was no good, he said. Like other statements of the new age, that rang with historical irony: His National Party had for decades practiced what could be called simple majoritarianism, ruling on the votes of the white minority.

He does not want to leave issues to be settled by the new elected parliament, because he knows he will not have many votes there. Polls show Inkatha with not much more than 5 percent support nationally. In fact the negotiators have moved toward the Butheleszi view on federalism. But he has so far refused to take yes for an answer.



Nominees Unite! Tell the President 'No'

IF PRESIDENT Bill Clinton calls to say that he wants to nominate you for a job subject to confirmation by the Senate, say thank you — and then just say no.

Why risk the reputation you have worked so hard to earn by subjecting yourself to what can become presidential nominees? All that you have worked a lifetime to build can be wiped out in the months that will pass between your nomination and the confirmation that may or may not follow.

LETTERS TO THE EDITOR

Revise the UN Charter

Why can't the United Nations put a stop to the murder and rape in Bosnia? For the same reason that it cannot stop terrorism and torture, the burning of rain forests, international drug trafficking or the spread of nuclear weapons.

cent of those surveyed, with 15 percent against, permitting international criminal trials for gross violations of human rights, including making war on ethnic groups, was approved 83 to 13 percent.

reney that enables them to tighten the control over their people. Unfortunately, at this defining moment in the history of human rights, Western and other pro-democratic intellectuals appear divided and leaderless.

Rights Are Indivisible

Regarding "Human Rights: Giving In After the Debate Is Won" (Opinion, June 19): I admire Charles Krauthammer's lucid style, but I feel compelled to take issue with the second half of his column on the World Conference on Human Rights, in which he opposed U.S. ratification of the UN Covenant on Economic, Social and Cultural Rights.

HARRIS O. SCHOENBERG, Vienna. The writer is chairman of the UN Non-Governmental Organizations Committee on Human Rights.

Malawi's First Step

An overwhelming majority of Malawians voted June 14 to revoke President Hastings Kamuzu Banda's one-party system, and by extension, nearly three decades of brutal totalitarian autocracy. A giant political step forward is now possible. But so is a setback into the dark past of barbaric political victimization and social polarization.

K. CHILOMBA KAMANGA, Geneva.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

BOOKS

TINTIN IN THE NEW WORLD

By Frederic Tuten. 236 pages. \$20. William Morrow.

Reviewed by Richard Eder

TINTIN, that button-eyed, cowl-necked, pre-adolescent French cartoon detective and nemesis of international archfiends, sits chafing in Marlinspike, his cozy but magnificent seashore mansion. He leaps through a sexy novel and honestly puts it down. He broods. "Always the same, all for just and murder. Thank the stars he knows nothing of that. I shall always be glad to have stayed stunted at 12, he thought. Quirk of biological fate — my best luck." It's time for another exploit, he tells Captain Haddock, his faithful companion, and Snowy, his dog. Why doesn't he try whiskey and sex. Instead, the captain goes to bed, and Snowy, who has been dressed of marrow-bones, thinks: "Yes, why doesn't he try? Maybe he'll grow up a bit and stay at home more."

Frederic Tuten has written a speculative fantasy, "Tintin in the New World," about what happens when Tintin, the creation of the Belgian cartoonist Hergé, does start growing. Imagine Dagwood divorcing Blondie and forfeiting his sandwiches, or Snoopy with rabbits. It is not such a rare-imagining. Superman was killed off recently, and there have been a number of bawdy takeoffs on Mickey Mouse. A few years ago Jay Cantor wrote a rich and complex series of speculations about Krazy Kat in the contemporary world. Something in the enchanting invulnerability of the classic cartoon-strip arouses a post-modern housebreaker's itch.

out, cogitating, in Pogo's Okefenokee Swamp. Following the cartoon's usual beginning, the author sends the restless Tintin a mysterious message to go to a far-flung destination; in this case Machu Picchu. What he will confront, however, is not a band of archetype villains but a quintet of archetype lives.

There is a Peruvian lieutenant who burns to remedy the oppression of his country's Indian population. There is the odd quartet to whom he introduces Tintin. Tuten has borrowed them out of Thomas Mann's "The Magic Mountain." They include Peeperkorn, a financial magnate, his femme fatale mistress, Claudia, and two companions who represent the dialectic of history. Settembrini, publisher of the "Review of Human Suffering," is the eternal proponent of progress and enemy of oppression. Naphtha, a Jesuit on leave, is the equally eternal proponent of order and enemy of revolution.

In a few brief days with this group, Tintin grows up, falls in love, loses his virginity, commits murder, organizes a great South American Indian revolution, grows old, and merges with the atoms and coms while having a mystical experience by the banks of the Amazon. To accomplish all this, narratively, Tuten gives his Tintin — the similarity of names must have made it the author's own childhood cartoon — an extended dream, a few real-time encounters with the Machu Picchu set, and tours of the past and the future.

In no particular dreaming or waking order — it doesn't matter, really, since it is an allegorical fantasy — Tintin and Claudia roam the Wild West pursuing the notorious bandit Pimanto (Peeperkorn), are led by faithful Snowy back to Marlinspike, marry and have a child. So much for cartoon adventure; then "reality" begins. Claudia is unfaithful with Pimanto, who has come back as a servant. Tintin's son grows up, becomes an engineer, wants to divide up Marlinspike for a housing development, sees Tintin when he objects. All his exploits, hardships and adventures, the aged Tintin reflects, "were winnowed down to acrimony over property."

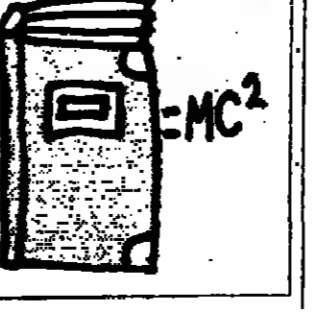
That is one path out of cartoon timelessness. Another is Tintin's real-time seduction by Claudia, followed by their operative murder of Peeperkorn and Claudia's subsequent femme fatale walkout. There are Naphtha's long arguments about history, which Tintin attends in rapt confusion. There is an odd though intriguing double-account by Peeperkorn of how he got his start as a grand capitalist. He is overheard giving his views on the value of Second Empire kitsch by a tycoon who has made a private collection of it.

The overhearing is at one remove, which is one of Tuten's complications. The Second Empire cultural defense is comically ingenious, which is one of Tuten's attractions. Complications and attractions sometimes work together in the book, but eventually its artificiality crowds its ingenuity.

Richard Eder is on the staff of the Los Angeles Times.

WHAT THEY'RE READING

Maurice Strong, Canadian business executive and environmentalist, is reading Alan Lightman's novel "Einstein's Dreams." "This little book is appealingly light and lively, yet profoundly provocative as it spins tales of the very human dimension of the awesome new world that emerged from Einstein's Dreams." (Brad Spurgeon, IHT)



50 Years of Ministering To the Unions' Faithful

By Colman McCarthy

WASHINGTON — At the swearing-in ceremony for Robert Reich, the U.S. secretary of labor, a benediction was given by Monsignor George Higgins. The 77-year-old Roman Catholic priest, whose ministry for a half-century has applied the social teachings of his church to the needs and rights of organized labor, offered a prayer that included a mention of unions.

"I deliberately went out of my way to put it in," Father Higgins recalls. "A few days later, I received a letter from a longtime bureaucrat in the department saying: 'You caused consternation in this building. That word union hasn't been used around here for a good number of years.'"

Father Higgins, a warmhearted man who has served most of his priesthood in Washington directing the social action department of the U.S. Catholic Conference, recounted the story the other night before the annual convention of the Americans for Democratic Action. The liberal group was honoring Father Higgins for his "unwavering commitment to social justice."

has ties to two worlds where membership is falling and influence said to be waning. Thirty years ago, about a third of U.S. workers were unionized; the number is half that now. The shortage of priests is on a similar decline. Father Higgins, the son of a postal clerk who took his children to hear Franklin Roosevelt speak at the 1932 Democratic convention in Chicago, is aware of the shifting demographics.

In "Organized Labor and the Church," written with William Bole, Father Higgins tells of his work reminding Catholics of their blue-collar origins: "Many of them have bought into the idea that while unions may have served a useful purpose when their fathers, grandfathers or great-grandfathers struggled to make ends meet, that is no longer the case. They seem to think as affluent as our own workers can readily find for themselves in the so-called free market, workers have no need to organize. Sad to say, they are wrong about that."

Father Higgins, whose philosophy of labor-management relations was shaped by encyclicals on wealth distribution from such popes as Leo XIII and Paul VI, is credible when arguing that America is still an immigrant nation with an immigrant church. The millions arriving from Southeast Asia and Latin America, "have less protection than the German, Italian, Polish, Irish and other immigrants of the past: They are low on skills in a high-tech society."

Three years ago, when Father Higgins marked the 50th anniversary of his ordination, leaders of the labor movement assembled to honor the monsignor of the workers.

Lane Kirkland, president of the AFL-CIO, asked the church: "When are you going to send us the next George Higgins?" If the church was listening, it needs to hurry. Should any new priests be ordained, they should head for the school strike or union rally. Father Higgins will likely be there. He's the one who'll be citing both Mother Teresa and Mother Jones. Washington Post Writers Group.

Advertisement for Turkish Airlines featuring a large image of the Istanbul skyline at night. Text includes: 'ISTANBUL Make a point of it. With Turkish Airlines. For centuries, Istanbul was the centre of ancient civilisation. And today it's easy to see why. Although much has changed, Istanbul is still very central when travelling to the Middle East or to Asia. And quite possibly very central to the enjoyment of your trip as well. Especially on Turkish Airlines. You'll have the comfort of our modern fleet of planes which offer you extra leg room and wide Business Class seating. Add to this our warm Turkish hospitality, and you just may find yourself thinking we're an important centre of modern civilisation too.' Turkish Airlines logo and 'NEW HORIZONS IN COMFORT'.

GERMANY: Reunified Land Lacking a Dream in the Face of Adversity

Continued from Page 1

to change. A powerful country that has defined itself for half a century by economic success and political consensus now stands troubled and pessimistic at the edge of a generational transition.

The country that Mr. Kohl has shepherded from the cocoon of U.S. and NATO protection into a new vulnerability as the major power in the Continent's center is once again where it hoped never to be — at the heart of a volatile and struggling Central Europe.

The fall of the Wall and swift reunification — all accomplished in a historic instant of extraordinary happenstance and well-timed spurts of international leadership — forced a new beginning upon Germany.

It is a painful time for a country unaccustomed to difficulty. Economists say Germany suffers structural woes that will produce long recession, high unemployment and continuing temptations for major companies to export jobs. "I see no light at the end of the tunnel," said Willi Liebfritz, director of the Ifo research institute in Munich.

A national poll by ZDF television last month found 96 percent of Germans were unhappy with their country's plight. While 4 percent said Germany is "all right," 46 percent saw "big problems," 38 percent worried about a "difficult Germany" and 12 percent were so morose as to say Germany "faces catastrophe."

Politicians and business leaders of all stripes speak of a battle for resources, pitting rich against poor, East against West, and even generation against generation.

Chancellor Kohl has told aides he feels obliged to stay in office for several more years, in part because of the historical drift he sees in the postwar generation of politicians.

The chancellor spelled out his fears in a television interview, saying that if Germany failed to complete its own unification and European integration in the next few years, "we will experience the same evil spirits that have re-emerged in Yugoslavia and Central Europe."

"We are not invulnerable to nationalism, chauvinism and xenophobia, to all the evils that have found their way here often enough."

In a preview of one of his main campaign themes for the re-election effort next year, Mr. Kohl presented himself as a historical bridge to the "immeasurable suffering" of World War II and warned that Germany and Europe could once again "stand before the question of war or peace" in the next century.

"Kohl may recognize the problems, but what has he done about nationalism and its violent impact here?" asked Margarita Mathiopoulos, a Greek-German banker, political scientist and author of "The End of the Bonn Republic."

"What Germany needs," she said, "is leadership that does not succumb to the romantic, racially based nationalism" that raises the specter of fascist ideology. Without strong mainstream leadership and a healthy sense of nationhood, she said, Germany risks a dangerous vacuum filled by extremists offering simple solutions.

Foreign Minister Klaus Kinkel calls for "healthy patriotism" that be unremarkable almost anywhere else. But for many in Germany's postwar generation, the very ideas of patriotism and leadership are tainted, primitive reminders of Hitler and Goebbels and their manipulation of the people.

The word for leader, *Führer*, was poisoned by Hitler. Even casual use of the word in conversation causes many Germans to gulp.

Since the 1950s, Germany has measured its stability and its adoption of democratic ideals

largely through the success of its automobile and machine-tool industries and the solidity of the German mark. Now many are asking if the national foundation does not need something more.

A few weeks ago, 500 billboards with the slogan "Germany is Becoming More German" sprouted around Berlin. The words are imposed over a masked or bandaged face of a woman staring through a half-dozen daggers that pierce the wall behind her.

The billboards are the attempt of the artist, Katharina Sievering, to confront Germans with their self-image. "The poster assumes Germans have a bad conscience and that Germans are feared," said Peter Herbstreuth, art critic of *Tagesspiegel* in Berlin.

For the last 50 years, Germans have pursued a different ideal: the successful manager who aims for compromise and consensus, disdaining personal vision or charismatic appeal.

"The whole of modern German society is built on cooperation and continuity," said Mr. Leggewie, the political scientist. "Parties, newspapers, industry — none of them is used to competition or confrontation. Neither is the government: We spent half a century as the object of other countries' foreign policies. Even the '60s were not the national crisis for us that it was for the French."

But in an era of confrontation both in German society and in a Europe rolling with ethnic and economic conflict, that model may no longer suffice.

"Our society's greatest weakness is an engagement gap," said Werner Hoyer, 41, leader in parliament of the Free Democrats, the junior partners in Mr. Kohl's coalition. "You don't get involved unless it immediately helps your business or family. We have no tradition of volunteerism as you do."

The generation of Mr. Kohl and former Foreign Minister Hans-Dietrich Genscher had the will, the burning desire to build something new, he stressed.

In the face of rising social tensions and an influx of political and economic refugees, accompanied by a violent scapegoating of foreigners, Germans look toward their political leaders for a vision of the future. They come away empty-handed and frustrated. The country suffers from a deep disaffection with politics.

Many of Germany's troubles are similar to problems facing most major industrial nations. The need for structural economic change, the dangers of ethnic strife and the failure of politicians to provide answers have been dominant themes in the United States, Britain and France.

But as in so many of this century's most important issues, what sets Germany apart now is its struggle with history. Germans from all major parties watched Bill Clinton's presidential campaign with jealousy, marveling at Americans' ability to generate hope in hard times. Mr. Kohl admired Margaret Thatcher's knack for combining tough policies in Britain with optimistic politics of hope.

In Germany, however, pessimism reigns, a cultural tradition with deep roots and often unhappy consequences. "There is *Götterdämmerung* everywhere in Germany," Mr. Hoyer said.

Finance Minister Theo Waigel speaks of "a national identity crisis" and the "sharpest economic crisis" since the Depression.

Germans have reacted to the strains of reunification and the collapse of its direct neighbor, the Communist East bloc, with an endless re-examination of what it means to be German. "We Germans," said Malte Lehming in a com-

mentary in *Tagesspiegel*, "find ourselves in a permanent condition of self-searching, a kind of eternal puberty."

An exasperated Mr. Kohl recently complained about "all this moaning and whining. No other country would have responded to its unification, a gift of history, with so much public brooding."

Indeed, despite his problems, Germany has managed to use Europe's system of linked currencies to spread the cost of German reunification around the Continent, and Germans continue to have one of the highest standards of living and the most generous benefits and work conditions in the world.

The chancellor has taken to regularly scolding his countrymen for taking their leisure as a birthright and for "spreading cultural pessimism," attitudes he says would have prevented the West Germans of the 1950s from creating their "economic miracle" out of the ruins of World War II.

Scandals resulting in the disgraced departure of four nationally known politicians so far this year have only reinforced the public impression that the new generation of politicians lacks the moral fiber of, for example, former Chancellor Willy Brandt, who fled Nazi Germany and returned as an underground fighter.

The impact is considerable: While 90 percent of Germans voted in 1990, a third of Germans tell poll-takers now that they plan to boycott the elections next year.

Among Germans 14 to 27 years old, according to a new poll commissioned by the Ministry for Women and Youth, 47 percent of those questioned in what used to be West Germany said they were proud to be German, while in former East Germany 68 percent of the youths expressed such pride.

"Why must I be a patriot?" said Egon Zeidler, a shopkeeper in former East Berlin. "Somewhere in my head, I still think if we Germans aren't going to be a great military power, we should at least be a great economic power. And then, comes national pride that someone smart can reawaken. And what's the next step? Kicking the next guy. And that's how it starts."

"It," of course, is the terrifying memory that lurks in the minds of older Germans and their children, if not in the youngest Germans. Even a generation removed, the memory is enough to render patriotism a soiled, suspicious concept.

Since the Gulf War, Germany has struggled over its future military role, debating endlessly the clash between the country's postwar pacifism and its new, post-unification responsibility to share military burdens with the United States and the United Nations.

President Richard von Weizsäcker — who has asked Germany's allies to be patient as the country seeks a middle ground between its historic extremes of pacifism and militarism — has grown impatient with politicians who shy from recognizing that a united Germany has its own interests.

The dilemma Germany will face in coming years is a choice between the extremes — whether right-wing nationalism or left-wing denial of national identity — and the middle-Weizsäcker's honest balancing act of national interests with the postwar pledge to avoid going it alone.

Answers will be a long time coming, and they will be hard fought. But for politicians of the postwar generation — and for young Germans of the post-Wall generation — the only alternative to a dangerous flirtation with extremism is a rigorous attempt to find their own answer to the identity question.

FACING A TROUBLED FUTURE?

DIVIDED NATION

Despite a common language and many shared traditions, East and West Germans remain far apart in attitudes and interests. Surveys indicate that, compared with their Western counterparts, Easterners are:

- more pacifistic;
- more optimistic about their own future;
- more wary of international alliances;
- and more dependent on government.

ECONOMY

A recession and high unemployment created when East Germany's industrial base collapsed have been exacerbated by the strength of the German mark.

Officially, Eastern Germany's jobless rate — including the unemployed and those on make-work projects and training programs — stands at 65 percent, unofficial estimates 60-60 percent.

Now, the fishing industry has shrunk because of competition from Spanish and other fleets, and the 2,000 people of the islands acknowledge that they will have to learn to swim in the bureaucratic sea of paperwork for European Community financing programs in Brussels if they are to keep these islands worth living on. Last year the islanders, who have had television only since 1975, voted against the accord on European political union known as the Maastricht treaty though Irish voters as a whole approved it by a wide margin.

Most islanders agree with Colie Heron, the 70-year-old chief of the volunteer lifeboat station and manager of the airstrip, that the answer is tourism, cashing in on the rugged beauty that James Joyce described as "the holy island that sleeps like a great shark on the gray water of the Atlantic Ocean."

Mr. Heron seems to reflect the tiny independence of the place when he says he hopes that tourists, mostly German, who come every year by the thousands, will bolster the local economy yet not buy up old stone houses and rock-fence farms. The lifetime resident, whose first language is Gaelic, as it is for almost everyone else here, fears that the Germans, the Dutch and others from the continent, might "replace our indigenous people, begin to close off beaches."

To this end, he said, he is trying to persuade the Federation of Irish Islands, a group of 15 smaller islands ringing the island country, to take a drastic measure. As Gaelic-speaking areas, many of the islands receive special EC financing, funneled through Dublin, to preserve the ancient Celtic language and culture. But Mr. Heron wants the islands federation to tell officials in Brussels to cut off the Gaelic preservation funds and to give all the islands' direct financing for economic development projects, many of them related to tourism.

With such financing, he feels, the islands can control their economy, reduce emigration and prevent foreigners from buying up the island. Mr. Heron noted that when the Danes rejected the Maastricht treaty last year, one reason was fear that it would make it easier for Germans to buy up Danish homes. Denmark approved an amended version this month.

"Yes, the Germans are the paymasters of the EC," he said. "So in a way we're trying to use their money to keep them out." Asked if such a plan was realistic, he said that native cannauness could win out. "I think people on islands are more intelligent than mainlanders. They have to live by their wits. If you're out in the middle of the Atlantic you depend on your wits. You're on your own. On the mainland, out in a bog, unless you fall into a bog hole, nothing can happen to you."

COMPETITIVENESS

The World Competitiveness Report, released last week by the Geneva World Economic Forum, shows Germany slipping to fifth from second overall among 38 industrial nations, and to ninth from second in the quality of its business management. The report cited Germany's falling per capita income — a result of absorbing the poor East, rising inflation and struggle for national identity.

IMMIGRATION

More than a million foreigners have moved to Germany since the country was reunited in 1990. In 1992, 440,000 entrants applied for political asylum, the only legal route for most foreigners. This year, 159,000 asylum-seekers arrived in the first five months. Germany has decided to turn away illegal migrants at its borders and deport asylum-seekers whose applications have been rejected.

Germany last year accepted 79 percent of all refugees seeking political asylum in the 16-country European Community. And Germany has accepted more than 300,000 refugees from the war in the Balkans, more than any other country.

RIGHTIST VIOLENCE

Violent incidents with proven or suspected rightist implication

'90	270
'91	1,483
'92	2,584

In 1992, neo-Nazis and other rightist radicals committed more than 2,500 violent incidents against foreigners in Germany. Seventeen people died in the violence. Anti-foreigner crimes have continued at a similar rate this year.

SOURCES: Bonnberg Business News, German Embassy in Washington.

Compiled by The Washington Post's Berlin Bureau, Jovanita Ballouse, Wilson Fisher.

Off Ireland's Coast, A New Way to Fish Aran Islanders Seize for Help In the Seas of EC Paperwork

By James F. Clarity
New York Times Service

INISHMORE ISLAND, Ireland — The fiercely independent people of this limestone rock, the largest of the three Aran Islands on the western edge of Europe, recall that in the old days the fishermen did not bother to learn to swim because that would only prolong the agony of drowning.

Now, the fishing industry has shrunk because of competition from Spanish and other fleets, and the 2,000 people of the islands acknowledge that they will have to learn to swim in the bureaucratic sea of paperwork for European Community financing programs in Brussels if they are to keep these islands worth living on. Last year the islanders, who have had television only since 1975, voted against the accord on European political union known as the Maastricht treaty though Irish voters as a whole approved it by a wide margin.

Most islanders agree with Colie Heron, the 70-year-old chief of the volunteer lifeboat station and manager of the airstrip, that the answer is tourism, cashing in on the rugged beauty that James Joyce described as "the holy island that sleeps like a great shark on the gray water of the Atlantic Ocean."

Mr. Heron seems to reflect the tiny independence of the place when he says he hopes that tourists, mostly German, who come every year by the thousands, will bolster the local economy yet not buy up old stone houses and rock-fence farms. The lifetime resident, whose first language is Gaelic, as it is for almost everyone else here, fears that the Germans, the Dutch and others from the continent, might "replace our indigenous people, begin to close off beaches."

To this end, he said, he is trying to persuade the Federation of Irish Islands, a group of 15 smaller islands ringing the island country, to take a drastic measure. As Gaelic-speaking areas, many of the islands receive special EC financing, funneled through Dublin, to preserve the ancient Celtic language and culture. But Mr. Heron wants the islands federation to tell officials in Brussels to cut off the Gaelic preservation funds and to give all the islands' direct financing for economic development projects, many of them related to tourism.

With such financing, he feels, the islands can control their economy, reduce emigration and prevent foreigners from buying up the island. Mr. Heron noted that when the Danes rejected the Maastricht treaty last year, one reason was fear that it would make it easier for Germans to buy up Danish homes. Denmark approved an amended version this month.

"Yes, the Germans are the paymasters of the EC," he said. "So in a way we're trying to use their money to keep them out." Asked if such a plan was realistic, he said that native cannauness could win out. "I think people on islands are more intelligent than mainlanders. They have to live by their wits. If you're out in the middle of the Atlantic you depend on your wits. You're on your own. On the mainland, out in a bog, unless you fall into a bog hole, nothing can happen to you."

Employers In Italy Stall Labor Pact

ROME — The Italian government was unable Monday to make progress in getting employers to sign a labor pact that Prime Minister Carlo Azeglio Ciampi believes is crucial to achieve world credibility.

"There was no step forward," said Luigi Abete, chairman of the main employers' body, Confindustria, after the latest session of talks with Mr. Ciampi. He said there was still a 50-50 chance that a deal could be worked out.

Italy's three main union groupings have been ready to sign for the last week, but Confindustria has been holding out for major concessions on salary structure.

With inflation at a 20-year low, the government is trying to build on a deal signed in July 1992 that broke the automatic link between wages and the cost of living.

The package lays down guidelines for national wage bargaining for the rest of the decade and tries to give Italy more flexible rules on labor mobility. The aim is to ensure that wage costs will not fuel inflation once the recession ends.

Mr. Ciampi, who has said the Italian accord could serve as a model for all Europe, had been hoping for an agreement before leaving for Tokyo to take part in the July 7 to 9 meeting of the leaders of the Group of Seven industrialized democracies.

Bonn Takes Over 2d Inquiry Of Arson at Moroccan's Home

MONCHENGLADBACH, Germany — The federal prosecutor took over an arson investigation Monday after a Moroccan woman narrowly escaped death from the second of two fires that have been set at her home.

In Berlin, the police arrested three men for beating and robbing a Japanese tourist in a commuter train station. The suspects screamed anti-foreigner slogans and gave the Nazi salute as they

struggled to avoid arrest late Sunday, the police said.

The outbreaks occurred shortly before 3 p.m. in Bonn, a city of 250,000, to make it more difficult for foreigners to seek refugee status in Germany.

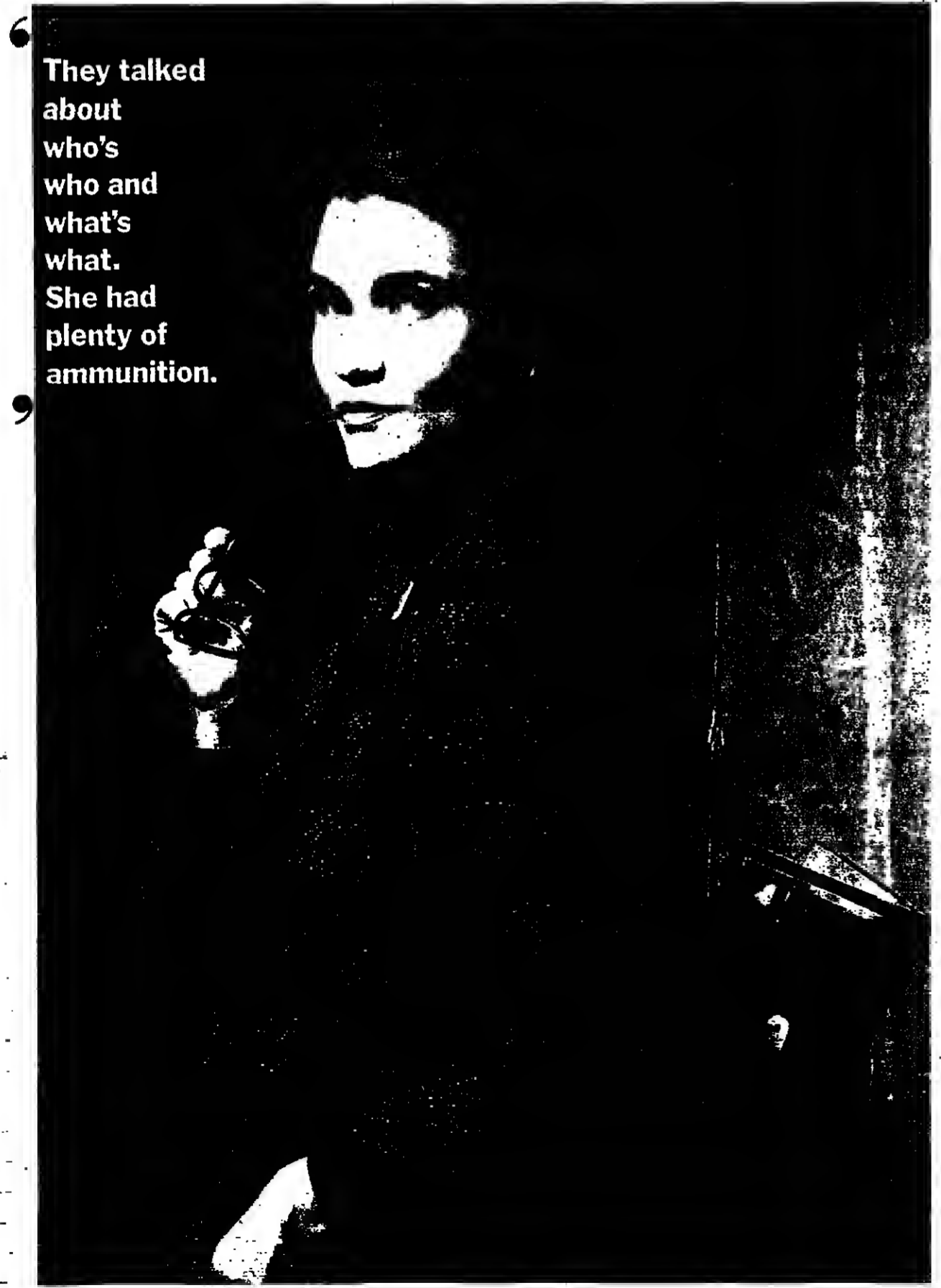
Authorities in Monchengladbach, about 50 kilometers (30 miles) from Solingen in western Germany, said the arson attack was carried out about 2:40 A.M. Monday.

Firemen rescued a Moroccan woman, 31, who had been asleep on the ground floor and had to revive her. She was reported in serious condition from smoke inhalation.

In an attack two weeks earlier, the arsonists set a blaze and spray-painted a swastika on the building, leading the federal prosecutor to assume a rightist terrorist crime and to take over the investigation from local police.

Remnant of Cold War Lined

LONDON — Diplomats of Britain and Russia have buried a remnant of the Cold War, agreeing to abolish the 205 limit on diplomats and officials of the other side, the Foreign Office said Monday.



They talked about who's who and what's what. She had plenty of ammunition.

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ATTACK ON BAGHDAD / SUPPORT FOR CLINTON

Clinton Benefits By Leap in Rating

By Richard L. Berke
New York Times Service

After months of public skepticism over his decisiveness on the world stage, President Bill Clinton's decision to attack Iraq has given him a substantial lift in his ratings for handling both foreign policy and his overall job as president, according to the latest New York Times/CBS News Poll.

The poll found that two-thirds of Americans approved of the strike on the Iraqi intelligence headquarters in Baghdad, more than approve of Mr. Clinton's handling of the Bosnia and Somalia crises. Though such boosts do not generally last long, the Times/CBS poll found that Mr. Clinton gained significantly after the raid. After the attack, 50 percent of Americans approved of the way he was handling his overall job; last week, only 39 percent approved.

More specifically, 49 percent said after the bombing that they approved of Mr. Clinton's stewardship of foreign policy, just before the attack, the public was split, with an approval of 36 percent and disapproval of 40 percent.

As Mr. Clinton prepares to travel to Tokyo next week for the economic summit meeting, White House officials seized on the air strike as evidence that the president is sure-handed in international affairs. The administration sent out its top military officials, most notably General Colin L. Powell, the chairman of the Joint Chiefs of Staff, on a series of television and newspaper interviews over two days to praise Mr. Clinton as a tough leader who would not be bullied by Saddam Hussein.

The incident appears to be the latest in a line of what scholars call "rally events," in which presidents point to dramatic uses of force abroad or diplomatic breakthroughs in seeking to rally Americans around their flag, their troops and their commander in chief.

President George Bush's popularity surged by 18 percentage points in January 1991, when the allied air war against Iraq began, according to the Gallup Organization. Gallup also found that President Jimmy Carter got a 19 percentage point boost when the American hostages were seized in Iran in November 1979. President Gerald R. Ford gained 11 percentage points after the Mayaguez incident in May 1975, when he sent in commandos to retrieve an American ship and crew seized by the Cambodians. The Vietnam peace agreements in January 1973 gave President Richard Nixon a 16-percentage-point lift.

The national telephone poll was conducted both before and after the attack on Sunday. Interviews with 1,363 adults were completed June 21 to 24; 622 of the same individuals were interviewed a second time after the attack in order to gauge their initial reactions.

Seeking to contrast himself with Mr. Bush, whom he depicted as preoccupied with matters abroad, Mr. Clinton campaigned with promises to focus on domestic issues. But he has been distracted by foreign crises. And for the sake of his domestic agenda, aides said, it was important for him to be viewed as a strong world leader.

Despite the public's increased confidence in the president, some analysts said they doubted that the bombing would give him a sustained stronger image as a leader.

"In the short term, it's clearly going to give him a bump politically," said Barbara Kellerman, a political scientist and an authority on presidents and world leadership.

"But I'd describe it as no more than a goose bump in the international community," she added. "In the long run this is going to be inconsequential. He has had opportunities that he bypassed in terms of addressing more serious issues like international terrorism or the situation in Eastern Europe — with perhaps the single exception of giving strong support of Boris Yeltsin."

The poll does show that while the attack brought slight upticks in other measurements of Mr. Clinton's performance, Americans still have many reservations about him.

The public's confidence in his ability to deal wisely with a difficult international crisis inched up by 5 percentage points. But the results were still unfavorable: After the attack, 39 percent expressed confidence in his crisis-handling ability, while just 34 percent did so beforehand. Both before and after the bombing, more than 50 percent said that they were uneasy about Mr. Clinton's approach.



Nizar Hamdoun, the Iraqi delegate to the United Nations, taking a break during the Security Council meeting.

Only 5 Clinton Aides Were In on Plan

By Douglas Jehl
New York Times Service

WASHINGTON — The unexpected missile strike against Iraq's intelligence headquarters was a result of weeks of intensive planning so secret that no more than five top White House aides had any knowledge of the discussions, according to Clinton administration officials.

By concealing the conclusion that Baghdad was responsible for an assassination plot against George Bush during his visit to Kuwait in April, aides provided a veil of secrecy that gave President Bill Clinton the advantage of surprise when military retribution came. It also helped him to appear decisive and resolute in his most significant action yet as commander in chief.

One consequence, however, was that the secrecy also made the White House appear less than candid.

On Friday, Press Secretary Dee Dee Myers assured reporters during a noon briefing that Mr. Clinton had not yet received a final report from the FBI about Iraqi involvement in the assassination plot.

Mr. Clinton had read the report Thursday, White House officials acknowledged. He had learned of the conclusion Wednesday night after summoning Vice President Al Gore and senior national security advisers to his personal quarters in the White House to discuss the case, and he had settled on the military response during another secret session Thursday night.

Mr. Clinton formally ordered the military strike Friday, just before Ms. Myers's briefing.

Yet, the meetings, the report and the military decision had all been kept from the press secretaries and her immediate superior, the White House communications director, Mark Gearan. White House officials said. They said they had not intended to put Ms. Myers in the position of misleading the public, but had simply sought

to avoid doing anything that might jeopardize the military strike.

"She didn't know because we didn't tell her," a senior administration official said without apology Sunday. "We didn't tell a lot of people. It was all compartmentalized, and we did not have a leak."

Senior officials said they did not become aware of Ms. Myers's misstatement until she called it to Mr. Gearan's attention after both

'If I had been told, I would have either had to tip off the operation or lie, and I've never knowingly lied.'
Dee Dee Myers

had been briefed on Saturday for the first time.

A near-defiant sense of pride was tangible at the White House on Sunday, where W. Anthony Lake, the national security adviser, and Samuel Berger, his deputy, were given credit for managing the operation.

With Mr. Clinton still viewed warily by many in the military and facing criticism from some Europeans for being too cautious in Bosnia, some White House officials pointed to the strike as an example of his willingness to use military force when justified.

While it was clearly not a motivation for the strike, the likelihood that Mr. Clinton's standing in public-opinion polls would rise, as support for most presidents has after military actions, appeared to have contributed to the buoyant mood.

The triumphant air also reflected a sense of having conquered what has proved a self-defeating penchant for leaks, a problem that se-

nior officials said was very much on their minds.

A particular challenge, they said, was that the need to determine Iraqi responsibility in the alleged plot against Mr. Bush meant involving the Justice Department, the FBI, the CIA and the Pentagon. They said they had limited the circulation of cables, had consulted only once with a former aide to Mr. Bush and hardly at all with Congress, and had otherwise made "a real effort to keep as few people as possible involved."

Among the other circumstances that allowed the strike to be carried out without even a hint of public warning, the officials said, were inaccurate reports in The New York Times and The Washington Post that said the administration would not reach a decision about how to respond to the assassination plot until after the trial in Kuwait of 14 men accused in the plot.

Those reports, both of which quoted unnamed American officials, may have helped to keep the Iraqi government off guard, officials said.

But senior officials insisted that those accounts were not part of any deliberate effort to mislead, and that reporters must have relied on sources who did not have full knowledge of administration planning.

Other steps to guarantee secrecy nevertheless appeared to be provoking second thoughts. Ms. Myers, who said her exclusion from the discussions meant that her misstatement had been "an honest mistake," was said to have been concerned about the potential cost to her credibility.

David Gergen, the presidential counselor, said in an interview Sunday. "If we misled people, that was our mistake, but it was not intentional."

"If I had been told," Ms. Myers said Sunday, "I would have either had to tip off the operation or lie, and I've never knowingly lied."

Sea-Based Missiles Ease U.S. Planning

New Strategy Avoids Touchy Issues

By Joseph Fitchett
International Herald Tribune

PARIS — A military message from the raid on Baghdad was that the United States believes it can rely on sea-launched missiles instead of manned warplanes to deliver devastating strikes anywhere in the world, experts said Monday.

Even on the limited scale involved in hitting the Iraqi intelligence headquarters, it signaled a new U.S. freedom from the need to negotiate with allied governments for permission to use their airfields and airspace.

"Even if you fly off aircraft carriers, your planes are usually going to have to pass through other countries' airspace, which they claim to control," said Colonel Andrew Duncan of the London-based International Institute of Strategic Studies.

"Nobody really complains about a missile going overhead," he added.

In the raid on Baghdad, some of the missiles apparently flew over the territory of Arab countries.

The Tomahawk missiles used in the attack are never going to be a silver bullet capable of knocking out an enemy. For example, they cannot track moving targets such as the Scud mobile missiles that Iraq used during the Gulf War.

But these missiles are accurate enough to hit buildings and tear up airfields and other fixed installations, even in the center of the biggest cities, when fired from open seas, where U.S. warships can be out of range of enemy attack. With enough missiles, the U.S. Navy could wreak havoc in any nation's military and economic infrastructure, strategic planners said.

By underscoring U.S. capabilities for unilateral action, the operation should bolster the credibility of warnings from Washington to other governments about military action to punish state-sponsored terrorism or possibly to preempt efforts to build nuclear or other outlawed weapons.

In this sense, the attack was an example of future warfare as seen by U.S. and European military planners: punitive attacks launched either by allied coalitions or by the United States acting alone as a global sheriff.

To spare political embarrassment to other governments, the United States has emphasized that the air strike was part of a bilateral

conflict involving Iraq and the United States.

That point, stressed in the Security Council by Madeleine K. Albright, the U.S. ambassador to the United Nations, was intended partly to intimidate other radical governments and partly to prevent Iraqi recriminations against pro-Western Arab nations in the Gulf.

Both those political purposes had to be underpinned by the military reality of highly accurate, non-nuclear missiles and many target-mapping satellites, assets that no country possesses to a significant degree except the United States.

The importance of this shift to missiles in enhancing U.S. room for maneuver emerges clearly in comparison with the Reagan administration's air attack on Libya seven years ago.

Rated a military success in demonstrating Libyan vulnerability to Western air power, the operation nonetheless exposed U.S. allies to damaging political fallout.

Britain incurred Libyan wrath because the F-111s flew from British air bases. France faced ire in Washington for refusing to let the planes officially use French airspace.

This time, Tomahawk missiles handled the job alone. Other branches of the armed services are traditionally reluctant to let a single arm monopolize a mission, but the political advantages of missiles prevailed.

Indeed, edginess among neighboring Arab countries, including the main participants in the anti-Baghdad coalition during the Gulf War, was confirmed by Saudi Arabia's refusal, prior to the raid, to permit any reinforcement of U.S. air power based there.

Questioned about this on television soon after the attack, Vice President Al Gore cut short the discussion about the allies' squeamishness by pointing out that the Tomahawk missiles had enabled the Pentagon to dispense with the diplomatic problems of obtaining local facilities.

Elaborating that point, Secretary of Defense Les Aspin said that the United States could proceed to cut down the number of its aircraft carriers, which are increasingly vulnerable to enemy fire, because so many other types of warships have acquired long-range striking power thanks to the development of these sea-based missiles.

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The devaluation of the pound last autumn has made business education and international schooling in Britain more financially attractive for Americans and Europeans.

The continuing recession in Britain, while it has adversely affected both individuals and companies, provides more opportunities for foreigners to gain entry to high-level business courses. The effect is particularly noticeable in the case of courses leading to the degree of Master of Business Administration.

In what has recently been a fast-expanding field, there are now 115 MBA programs in Britain. This year, some of the leading management and business schools and the colleges that run them are reporting a marked increase in the number of overseas students.

Cranfield School of Management in Bedfordshire first started offering MBAs in the 1960s. Of the 160 students

There are 115 MBA programs in Britain

in the full-time course this year, 20 percent are from overseas. Two years ago, the figure was 12 percent. Students are now coming from African countries as well as Europe and the United States.

"We've had a drive to increase numbers from outside the U.K.," says Gill Marshall, Cranfield's marketing services manager. "We wanted to increase our international perspective so people would have a chance to mix with more people from different backgrounds."

The school has a growing number of collaborative ventures with other international business schools and universities. One popular option is the joint MBA degree course run with Groupe ESC Lyon in France, now in its third year. Students need to be fairly fluent in French to be accepted. During the second half of the program, 50 visiting students from other schools attend for a term, further enhancing the international flavor.

Nowadays, aspiring MBA students have to be more careful about the course they select. While the established schools continue to offer high-quality courses, the rapid expansion of the last few years has inevitably brought a lowering of standards in some institutions.

"At the low-ethical end of the business, it's simply a



Above, an MBA student takes advantage of an open learning program. Right, career and college counseling.

different perspective: they're competitive, but in a less aggressive way.

Some of Britain's training institutions for the professions also attract more overseas than British students. The Architectural Association School of Architecture in London, the only independent one in Britain, has 400 students, 80 percent from overseas. Increasing numbers are coming from Japan, Korea and Taiwan.

To enter the AA's Graduate School, overseas students need to have a degree, though not necessarily in architecture. At undergraduate level, the qualifications are more modest. "We put a lot of emphasis on the applicant's portfolio and the personality they reveal in an interview," says Jacqueline Readwin, the school's assistant registrar. Students who live too far away to come for an interview are sometimes admitted on the basis of their portfolios. For younger students coming to Britain, there are more than 20 international schools, most of them in or around London, that provide a distinctly cosmopolitan atmosphere. While many students come from families who are temporarily based in Britain or where there is a need for boarding education, other parents have chosen this type of school in order to develop a more international outlook in their children.

Southbank International School in London has 40 nationalities among its 230 students, with an increasing number coming from Eastern Europe over the last couple of years. High priority is given to languages, so foreign students can continue with their mother tongue.

Milton Toukbin, the school's head teacher, says: "International schools have the flexibility to build a program around an individual student. This is very important when children are moving around the world: often they're very bright children, but with gaps in their knowledge."

Several schools report a growing interest in the International Baccalaureate among American students, as the value of the two-year course as a challenging preparation for college becomes more widely understood in the United States. "The IB has helped us to attract more international students in the last five years, particularly at high-school level," says Peter Hlozek, superintendent of the American Community School, which has campuses in Surrey and Middlesex, and now boasts 49 nationalities among its 1,250 students. Some 40 percent of students in the high-school section are taking the IB.

The school stresses the value of offering students direct experience with many different cultural traditions and languages. "They become much more aware of other people's customs," says Mr. Hlozek.

Some British schools specializing in English are also attracting more students by providing flexibility between programs. At St. Clare's in Oxford, for example, students from America and Europe can now take English and then move on to the Liberal Arts program, which can secure students credits at their home institutions.

Obtaining details about the schools can be time-consuming. Useful information is given in the new edition of the "Guide to Boarding Schools and Colleges" (John Catt Educational, £9.95), which describes several schools in Britain and includes an article about the background, ethos and curricula of each.

bums-on-seats operation," says Roger McCormick, director-general of the Association of MBAs. "The best are good, but too many of the schools are of cottage-industry size." He adds, however, that market forces will soon start to shake out the weaker schools. The association, which gives accreditation to courses, has recently turned down a number of new and second applications.

National recruitment for MBA courses, which cost on average £7,500 (\$11,250), has decreased for the first time, by an estimated 10 percent. At Strathclyde Graduate Business School in Glasgow, one of the most respected in the field, numbers for the full-time course have dropped by 25 percent compared with the previous year.

"There is some price sensitivity nationally, but there's also a lot of supply in the market," says John Kirk, the school's external relations manager. "People need to be careful about going for courses just because they're £3,000 cheaper. Employers are more quality-conscious now."

Some 55 percent of Strathclyde's MBA students are from outside Britain, including many from Africa, Southeast Asia and the Middle East. Around 1,400 take the Open Learning route, which allows for a minimum interruption in their professional lives. Students work at their own pace off-campus, with guidance from a tutor.

A significant change at Strathclyde has been the increase in the number of women studying full-time for an MBA - from 15 percent to 25 percent. "It reflects women's movement up the management ladder," Mr. Kirk says. "The MBA used to be seen as a very male thing, a gung-ho ticket to the boardroom. Women offer a



Students from many countries are attracted by the high-standard curricula.

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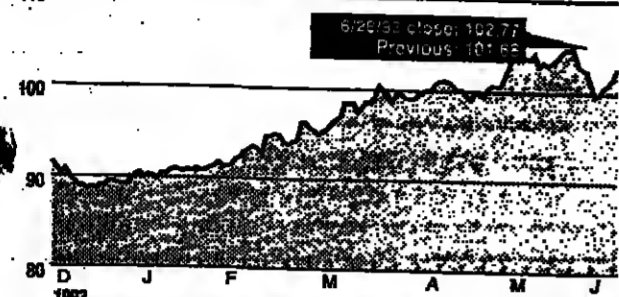
BUSINESS

International Herald Tribune, Tuesday, June 29, 1993

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THE TRIB INDEX: 102.77

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Region	Close	Prev.	% Chg.
Asia/Pacific	118.57	117.24	+1.12
Europe	97.15	96.72	+0.43
N. America	95.23	94.08	+1.15

Industrial Sectors	Close	Prev.	% Chg.
Energy	103.23	101.88	+1.35
Utilities	108.92	107.52	+1.30
Finance	110.08	108.80	+1.18
Services	112.82	111.68	+1.02
Capital Goods	99.47	98.12	+1.35
Raw Materials	99.65	98.29	+1.28
Consumer Goods	87.46	86.67	+0.79
Miscellaneous	102.41	100.65	+1.75

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Chateaufort, 92021 Neuilly Cedex, France.

Losses Worse at Ferruzzi Division

Compiled by Our Staff From Dispatches

MILAN — Montedison SpA restated its 1992 losses on Monday, showing the troubled industrial and chemical company far deeper in the red than it had reported last month. Trading in shares of Montedison and its parent company, Ferruzzi Finanziaria SpA, was suspended Monday on the Milan stock exchange pending the announcement that Montedison's loss in 1992 totaled 1,679 billion lire (\$1.083 billion), considerably worse than the previously reported 1,244 billion. Montedison said the restatement followed discovery of a loss of 320 billion lire by a foreign subsidiary. Montedison also said its parent company's loss was restated to 724 billion lire, far wider than the previously reported 404 billion lire. Ferruzzi Finanziaria's shareholders are scheduled to meet on Wednesday. Carlo Sama, the Montedison vice chairman and managing director, also told the annual shareholders meeting that Arturo Ferruzzi resigned as chairman. Mr. Ferruzzi's resignation was expected. The parent company announced on June 19 that Guido Rossi, a former communist senator and ex-president of the Italian stock market watchdog committee, would replace Mr. Ferruzzi as chairman of Ferruzzi Finanziaria.

That change was part of a move by Ferruzzi's banks to take full control of Italy's second-largest private-sector industrial concern. Ferruzzi's banks said on June 18 that they would lay claim to the Ferruzzi family's 48 percent shareholding in Ferruzzi Finanziaria. (AP, Bloomberg)

Busch Taps Into Tsingtao China Brewer Plans Hong Kong Issue

Compiled by Our Staff From Dispatches

HONG KONG — Anheuser-Busch Cos., the U.S. brewer of Budweiser beer, said Monday it would buy a 5 percent stake in Tsingtao Brewery Co. which will become the first Chinese company to sell shares in Hong Kong.

Anheuser-Busch, based in St. Louis, Missouri, said it would buy 45 million Tsingtao class H shares, worth \$16.4 million. The stock is expected to begin trading July 15 in Hong Kong. After months of vaulting through accounting hoops to bring its books up to international standard, Tsingtao said Monday it would sell 317.6 million H shares through an initial public offer and placement. The shares will sell for 2.80 Hong Kong dollars (35.9 cents) each. The offer opens Tuesday and closes Friday in Hong Kong. The initial offer price is 12.8 times the prospective earnings per share. Nine Chinese companies began racing to the Hong Kong bourse last October, when China's State Council, or cabinet, announced that a chosen few would be permitted to raise money by listing shares in the territory. Tsingtao had long been a favorite for the first spot. "They have name recognition and it's a leader company than the other eight trying to list," said Richard Wong, investment manager at Wardley Investment Services. "The Anheuser-Busch stake is a nice addition and just another vote of confidence."

Anheuser-Busch said its 5 percent stake is only the beginning. "We have an interest in taking it higher but there are no agreements at this point," said John Koyka, vice president of finance and planning at the U.S. brewer. "It would be a matter of negotiation." Mr. Koyka said Anheuser-Busch's recent purchase of 17.7 percent of Mexico's top brewer, Grupo Modelo, was an example of the kind of stake it might eventually seek in Tsingtao. He added that brewing Budweiser beer in China is also a possibility. The U.S. company has been on an international expansion spree recently, setting up joint ventures with Japan's Kirin and Italy's Peroni to brew Budweiser in those countries. "The Anheuser-Busch placement is strategic," said Cheng Yan Jun, vice chairman and deputy general manager of Tsingtao Brewery. "This should boost shareholder confidence. Anheuser-Busch is the best in the West and we're the best in China, so it is a great combination." Mr. Cheng said the company would use the \$59 million dollars raised in the issue to expand four of

its factories and pay off foreign-denominated loans.

Tsingtao Brewery is best known as China's first beer producer. Established 89 years ago, it now accounts for 90 percent of China's beer exports. It already holds 2.45 percent of the Chinese market, and Cheng said the only thing standing in the way of greater market share for the brewery is its own production capacity, which money from the share issue will expand.

"We have customers knocking down their door so even if they are a little heavy on pricing the shares will sell like hotcakes," said Stephanie Guz, an analyst at Smith New Court (Far East) brokerage.

The company is forecasting after-tax profit in the year ending Dec. 31 of not less than 193 million yuan (\$36.2 million).

But Steve MacNamee, director at Marlin Partners brokerage in Hong Kong, warned that if

'Anheuser-Busch is the best in the West and we're the best in China, so it is a great combination.'

Cheng Yan Jun, vice chairman, Tsingtao.

China were to re-enter the General Agreement on Tariffs and Trade, Tsingtao could lose its competitive edge. Imported beers are slapped with a 120 percent duty in China now, which makes them pricey for the average Chinese consumer. Without that buffer, Tsingtao could be a lot less comfortable in the domestic market, he said.

In its prospectus, Tsingtao said the relatively high transportation costs associated with shipping beer would make imports too expensive to be a threat, even without the tariff.

China is expected to become the world's second-biggest beer market in the next four years, Mr. Koyka said that the Chinese market is expanding rapidly with younger, wealthier consumers.

Tsingtao's successful listing is only the beginning for China's expanding beer industry.

"There are a stream of other beer makers going into China and that is definitely going to affect Tsingtao," said Smith New Court's Ms. Guz. (Bloomberg, AP, Reuters)

Sanctions Loom In U.S.-Japan Trade Dispute

Compiled by Our Staff From Dispatches

TOKYO — As the issue of commercial trade targets seemed to have reached insurmountable proportions in U.S.-Japan talks here, the United States faced a second thorny issue Monday: whether to retaliate against Japan for refusing to ease access to its \$240 billion public-works and government-procurement market.

A U.S. Commerce Department spokesman said the government would decide Wednesday to either retaliate or continue talks in Washington aimed at opening the public markets. The negotiations began in Washington two weeks ago and ended with Japanese refusal to yield.

The Commerce Department spokesman, who did not wish to be identified, said the United States is seeking to reopen negotiations. If unsuccessful, sanctions could come as early as Wednesday, which was the deadline set for the talks to end by the U.S. trade representative, Mickey Kantor.

The spokesman said he did not know what form sanctions could take, but in the past Washington has raised duties on imports from countries that violate U.S. trade laws.

American companies have complained Japan's government and business customs largely keep U.S. and other foreign companies from bidding on architectural, engineering and construction projects in Japan. The United States demanded this month that Japan expand a 1988 agreement that allows U.S. concerns access to some government bidding and end a bidding process that favors Japanese companies.

Arthur Alexander, president of the Japan Economic Institute, said it would be unwise for the United

States to retaliate against Japan just a week before the leaders of the Group of Seven industrial nations meet in Tokyo.

Meanwhile, W. Bowman Carter, head of the U.S. delegation here, said it would be difficult — but not impossible — to reach a framework agreement on benchmark trade targets before the summit meetings start on July 7.

Washington is demanding benchmarks on trade — for instance, the reduction of Japan's world trade surplus from the current 3.3 percent of gross national product to between 1 and 2 percent. Without specific targets it is difficult to measure progress in reducing the surplus and opening Japan to foreign goods, the Americans contend.

American officials, speaking on condition of anonymity, acknowledged this basic difference had not been resolved. They said no further meeting was scheduled between now and the summit conference.

The United States also wants Japan to increase imports of foreign manufactured goods by 33 percent in three years. It wants measurable improvement in such sectors as:

- Japanese government procurement of foreign goods.
- Access to Japan for U.S. banks and insurance companies.
- Imports of U.S. automobiles and parts.

American officials have warned that the U.S.-Japan relationship, including a security treaty, is threatened by the trade surplus, which reached \$49 billion with the United States in 1992.

"The relationship is badly corroded," a U.S. official said Monday. (AP, Knight-Ridder)

Thinking Ahead In Europe, a War of Secession?

By Reginald Dale

International Herald Tribune

WASHINGTON — If Europe were fighting the American Civil War, the South would be winning. Although the Maastricht treaty officially ushers in a European union, the EC these days is looking more and more like the Confederacy. And last week's Copenhagen summit only reinforced the trend toward reasserting states' rights against central authority.

That should be especially good news for Britain, which has always been the prime champion of the "Southern" cause. But if the British and their fellow confederates in Denmark and elsewhere, have been winning battles recently, the war is still far from over. And the Union forces, normally led by France and Germany, have the heavier firepower.

As General De Gaulle rightly warned in the 1960s, Britain has labored unfruitfully since it joined the Community 20 years ago to stop the advance toward a federal union sought by the majority of the other members. And it has done pretty well.

Acting together, France and Germany can generally set the Community's overall direction. But by constantly clipping away at the Franco-German concept of European unity, most recently embodied in the Maastricht treaty, Britain has exercised a powerful restraining influence. (The results have not all been negative for Europe. With Britain inside, the Community is less doctrinaire, more practical and less protectionist than it would be otherwise.)

The recent Confederate victories are not all Britain's doing. The biggest threats to European unity recently have come from the squalls of Continental opposition that have buffeted the Maastricht treaty and from the recession that has moved like a storm cloud over the mainland after drenching Britain for the last three years.

All 12 members are responsible for giving the Community its latest big shove in a confederate direction, by agreeing in Copenhagen that the six former Soviet satellites in Eastern Europe will ultimately become full members — in addition to four of Britain's erstwhile disciples in the European Free Trade Association.

That seems to fulfill a long-standing British hope that the entry of the EFTA and East European countries will so irrevocably dilute the Community that it

can never become a tightly-integrated federal state. In the aftermath of the Cold War, national sovereignty, which never went out of fashion in Britain, is back in vogue in Continental Europe, even in Germany and France.

And Britain and Denmark have successfully rebelled against the center by insisting on opt-outs from important Maastricht provisions including the common currency.

At the same time, with the EC's fledgling federal institutions severely rattled by the unpopularity of Maastricht, the EC Commission is for now content to see power flow back toward national governments. Under the so-called subsidiarity principle, the commission is conscientiously trying not to usurp national authority unnecessarily, and to minimize officious harmonization.

Moreover, although the supposedly supranational European Parliament will gain another incremental increase in its powers once Maastricht enters force, there is now much more talk of increasing democratic control over EC decisions through national parliaments.

Nobody contests the main lesson of Maastricht: that European leaders must in the future take much more account of public opinion. And it now turns out that many more Continental Europeans than previously suspected share the reservations about a federal Europe that the British have been expressing since the 1950s.

But what is this?

Even at such a low ebb in the Community's affairs, the latest EC-wide poll by the International Herald Tribune and Cable News Network found that the EC's citizens still want closer European unity.

Six out of 10, for instance, favor political union, a common currency and centrally run EC economic policies — all strongly opposed by the confederates. Worst of all for the confederates, 60 percent also said they favored a "two-tier" Europe allowing those with stronger currencies to forge ahead toward closer unity. That's the way to prevent the union's dilution by new members — and thwart the goals of the confederacy. And it's always well on the way to becoming reality.

Once a hard core goes ahead to closer union, sooner or later the others will follow. After all, in that other conflict, a string of early Confederate victories did not alter the outcome.

Where Are the Bad Old Days? Bankruptcies Drop

By John H. Cushman Jr.

New York Times Service

WASHINGTON — After rising inexorably for nearly a decade, the number of U.S. bankruptcies filed by individuals is suddenly declining.

In five of the last six months for which information is available, filings were markedly lower than a year earlier.

Why this is happening? Nobody is quite sure. Skeptics see it as a sign of greater caution by consumers unwilling to overextend themselves. To some, it suggests a new era of fiscal sobriety.

Maybe the rise in bankruptcies contained the seeds of its own destruction: 4 million in

the last six years just might mean that the U.S. supply of deadbeats is running low.

Ed Flynn, statistician for the U.S. bankruptcy court system, looking at the figures for the first three months of the year, saw a dramatic turnaround. Bankruptcy filings by individuals took off in the early 1980s, reaching by 1992 900,000 a year. This was triple the number in 1984. Beginning in 1985, a record was set every year. Now the monthly tallies are shrinking. Bankruptcies were down 20 percent in January, 11 percent in February and 7 percent in March, compared with the year earlier.

Stephen Brobeck, executive director of the Consumer Federation of America, said the

reversal resulted not from an economic revival, but from a combination of lower interest rates and more prudent consumer expenditures. "For tens of millions of American households the recession continues," he said. "Basically, it's the morning after the party. Most people have a slight headache."

Sam Gerardo of the American Bankruptcy Institute said the shift was probably due to a decline in the percentage of earnings that the average consumer must spend on monthly debt in light of lower interest rates. Many homeowners have refinanced their mortgages and are using the savings to reduce credit-card balances.

The debt-service-payment ratio is consid-

ered one of the best measures of financial stress on consumers. It started to rise just before bankruptcies began to climb, going from about 15 percent of income in 1983 to about 18 percent in 1990. Finally, in 1991, it turned the corner, standing now at roughly 16 percent.

"I don't think the debt service ratio explains it," said Philip S. Corwin at the American Bankers Association. "It explains some increase, but it does not explain a tripling" in bankruptcies in the last decade.

The bankers blame the long-running increase mainly on passage of a new bankruptcy law that took effect in 1979, which allowed increased retention of personal assets.

Letting the Bubbles Speak for Perrier

By Stuart Elliott

New York Times Service

The American marketer of Perrier hopes to put the fizz back into lagging sales with advertising that celebrates something much more basic than the brand's cachet: its bubbles.

A series of television commercials, which begin running this week in the United States, are silent but for the sounds of a bottle opening, the effervescence of the mineral water within and a glory-hallelujah wave of "Aaaaahhh" from an unseen choir.

The commercials are the first for the Perrier Group of America since its French parent, Source Perrier SA, was acquired last year by New York's U.S. subsidiary, Perrier Communications Inc. in Paris.

Kim E. Jeffery, president and chief executive at the Perrier Group in Greenwich, Connecticut, is the first to admit the company is strug-

gling to regain the brand's momentum, which was stopped dead by a recall in 1990 concerning benzene contamination. Sales in America, which reached \$102 million in 1989, briefly fell to zero as 72 million bottles of Perrier were pulled off shelves.

Despite ambitious predictions that sales would rebound to pre-recall levels, they have yet to do so. Perrier sales last year totaled just \$60 million, though Mr. Jeffery said they were up about 10 percent so far this year.

While Perrier remains the best-selling imported sparkling water in the United States, it has lost its ranking as the No. 1 imported water of any type to Evian, the French company's brand. "Very honestly, we thought it would take us less time" to recover from the "self-inflicted wound," he said, "but we had a recession intervene."

Jesse Meyers, publisher and editor of the newsletter Beverage Digest, agreed that "Perrier has gone through some difficult times," adding that "it still has a way to go, and a way to grow, to make up for the recall."

The campaign is the first to be completed by Publicis for any of the more than 100 countries where Perrier is sold. As a result, Mr. Jeffery said "there's interest around the world to see what happens with this."

"The advertising may differ from country to country," he added, "but the core values will be similar."

The campaign replaces one by the Perrier Group's previous American agency, Waring & LaRosa, that portrayed the brand as omnipresent by deeming it "part of the local color" in bars and restaurants across America.

Mr. Meyers said Perrier Group "seems to be headed in the right direction," primarily because of "its new alliance with Nestlé, which is worth a gazillion dollars."

Perrier Group plans to spend \$7 million on the campaign between now and the end of the year. By comparison, the company spent \$6.1 million to advertise Perrier during all of 1992 and \$4.9 million in 1991, according to Leading National Advertisers in New York, which tracks ad spending.

RICHEMONT

RESULTS FOR THE YEAR ENDED 31 MARCH 1993

Against a background of continued recession in many economies and a decline in consumer confidence in certain markets, Richemont can report a further improvement in profitability for the year.

	1993	1992	% Chg.
Net Sales Revenue	£ 3 430.7 m	£ 3 108.3 m	+ 10.4 %
Profit before Tax	£ 651.9 m	£ 620.1 m	+ 5.1 %
Profit attributable to Unitholders	£ 206.6 m	£ 197.3 m	+ 4.7 %
Earnings per Unit	£ 35.98	£ 34.36	+ 4.7 %
Dividends per Unit	£ 5.88 1/4	£ 5.62 1/2	+ 4.7 %

The group's operating profit for the year increased by 3.3% to £ 603.3 million. Operating profit from tobacco operations increased by 12.6% to £ 413.4 million while operating profit from luxury products showed a slight decrease of 5.5% to £ 202.8 million.

Profit attributable to unitholders increased by 4.7% to £ 206.6 million; earnings per unit increased by the same percentage to £ 35.98. The Board of Directors has proposed an increase of 4.7% in the level of dividend in line with the increase in attributable profit, bringing the dividend payable per Richemont unit to £ 5.88 1/4. Both earnings per unit and the dividend per unit reflect the 10-for-1 subdivision of Richemont units which took effect on 6 October 1992.

Richemont is a Swiss company which operates in the fields of tobacco products and luxury goods. Richemont's tobacco interests are held through Rothmans International p.l.c. Its interests in the luxury goods industry are held through its controlling interests in Cartier Monde SA, including Cartier, Piaget and Baume & Mercier, and Dunhill Holdings PLC, including Alfred Dunhill, Montblanc, Karl Lagerfeld and Chloé.

Copies of the annual report of Richemont may be obtained from: Compagnie Financière Richemont AG, Rigistrasse 2, 6300 Zug, Switzerland. Telephone: (042) 22 33 22. Telefax: (042) 21 71 38.

Richemont International Limited, 15 Hill Street, London W1X 7FB. Telephone: (071) 499 2539. Telefax: (071) 491 0524.

CURRENCY & INTEREST RATES

Currency	Rate	Rate	Rate	Rate	Rate
Australian \$	1.00	0.75	0.75	0.75	0.75
British £	1.00	1.50	1.50	1.50	1.50
Canadian \$	1.00	0.75	0.75	0.75	0.75
French F	1.00	6.55	6.55	6.55	6.55
German M	1.00	1.93	1.93	1.93	1.93
Japanese ¥	1.00	160	160	160	160
Swedish S	1.00	8.46	8.46	8.46	8.46
Swiss F	1.00	1.75	1.75	1.75	1.75
US \$	1.00	1.00	1.00	1.00	1.00

Key Money Rates

Rate	Rate	Rate	Rate	Rate
Discount rate	5.00	5.00	5.00	5.00
Prime rate	6.00	6.00	6.00	6.00
90-day T-bill	5.50	5.50	5.50	5.50
180-day T-bill	5.25	5.25	5.25	5.25
1-year T-bill	5.00	5.00	5.00	5.00
3-year Treasury bill	4.75	4.75	4.75	4.75
5-year Treasury bill	4.50	4.50	4.50	4.50
10-year Treasury bill	4.25	4.25	4.25	4.25
30-year Treasury bill	4.00	4.00	4.00	4.00
10-year Government bond	4.00	4.00	4.00	4.00

Other Dollar Values

Currency	Rate	Rate	Rate	Rate
Australian \$	1.00	0.75	0.75	0.75
British £	1.00	1.50	1.50	1.50
Canadian \$	1.00	0.75	0.75	0.75
French F	1.00	6.55	6.55	6.55
German M	1.00	1.93	1.93	1.93
Japanese ¥	1.00	160	160	160
Swedish S	1.00	8.46	8.46	8.46
Swiss F	1.00	1.75	1.75	1.75
US \$	1.00	1.00	1.00	1.00

MARKET DIARY

Falling Bond Yields 'Raise Stocks' Appeal

Bloomberg Business News NEW YORK — U.S. stock prices rebounded Monday as Treasury bonds incited investors to put their money into equities.

The Dow Jones industrial average gained 39.31 points, or 1.13 percent, to 3,530.20.

Advancing common stocks swamped declining issues by better than 2 to 1 on the New York Stock Exchange.

Banking and other financial shares paced the market's rise amid expectations these companies will benefit from lower interest rates.

There's an overwhelming sentiment that the market's going to a new high, and people feel the interest-sensitive stocks are going to lead the way,

Among banks, J.P. Morgan, a component of the Dow industrials, rose 1 1/2 to 67 1/2.

NationsBank jumped 1 1/2 to 54. First Interstate Bancorp soared 3/4 to 64.

Foreign Exchange against the yen while dealers suspected the Bundesbank had been selling.

The dollar closed Monday at 1.6960 DM, down from 1.7070 DM on Friday.

Dealers said they believed the Bundesbank would have been more visible and forceful in the market if it had been trying to revive the DM.

World Stock Markets Amsterdams AEG 152.70 153.00 152.70 153.00

Brussels AEG 152.70 153.00 152.70 153.00

Frankfurt AEG 152.70 153.00 152.70 153.00

London Abbey National 4.11 4.12 4.11 4.12

Paris Air Liquide 127.20 127.50 127.20 127.50

Sao Paulo Banco Bradesco 12.50 12.60 12.50 12.60

Singapore City Dev. 4.15 4.16 4.15 4.16

Tokyo Daiichi Kangyo Bank 110.17 110.17 110.17 110.17

Zurich Adia Int. 1.48 1.48 1.48 1.48

Stockholm ASEA 2.01 2.01 2.01 2.01

Toronto Abn-Amro 139.13 139.13 139.13 139.13

The Dow Daily closings of the Dow Jones industrial average



Table with columns: High, Low, Close, Change. Includes Dow Jones Industrial Average, S&P 500, NYSE Composite.

Table with columns: High, Low, Close, Change. Includes NYSE Most Active.

Table with columns: High, Low, Close, Change. Includes NYSE Diary.

Table with columns: High, Low, Close, Change. Includes Amex Diary.

Table with columns: High, Low, Close, Change. Includes NASDAQ Diary.

Table with columns: High, Low, Close, Change. Includes NYSE Most Active.

Table with columns: High, Low, Close, Change. Includes NYSE Diary.

Table with columns: High, Low, Close, Change. Includes Amex Diary.

Table with columns: High, Low, Close, Change. Includes NASDAQ Diary.

Table with columns: High, Low, Close, Change. Includes NYSE Most Active.

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Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. Includes Dow Jones Industrial Average, S&P 500, NYSE Composite.

Table with columns: High, Low, Close, Change. Includes NYSE Most Active.

Table with columns: High, Low, Close, Change. Includes NYSE Diary.

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EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, High, Low, Close, Change. Includes Food, Metals, Financial.

Table with columns: High, Low, Close, Change. Includes NYSE Most Active.

Table with columns: High, Low, Close, Change. Includes NYSE Diary.

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U.S. / AT THE CLOSE

New Chief at Borden Sparks Shares

NEW YORK (Bloomberg) — Borden Inc.'s stock got a boost Monday as the company named a former Stride Rite Corp. executive, Ervin Shames, as president to oversee the restructuring of its troubled food business.

Analysts said Mr. Shames' experience in the food business, including stints at General Foods and Kraft, would help Borden sweeten condensed and better market its brands, including Eagle Brand sweetened condensed milk, Lite-line cheese, Prince spaghetti, and Classico pasta sauce.

Inco to Sell Off Holding in TVX Gold

TORONTO (Bloomberg) — Inco Ltd. will sell its 62 percent stake in TVX Gold Inc., \$3.1 million shares, to a Canadian underwriting group for 386.4 million Canadian dollars (\$301.4 million).

The shares will be sold by Inco and its U.S. subsidiary, Inco United States Inc., at \$4.65 each.

PacTel to Buy Stake in NordicTel

STOCKHOLM (APF) — PacTel Corp., a unit of Pacific Telesis, will acquire 51 percent stake in NordicTel Holdings AB by buying shares from Volvo AB, Trelleborg AB and Spectra-Physics for \$153 million.

The deal reduces the stakes held by each of the three companies in NordicTel to 8 percent from 25 percent. PacTel president and chief executive Les Cox said the acquisition is in line with the aim of offering mobile telecommunications services.

Corning Adds Bid in Race for Damon

NEW YORK (Bloomberg) — Shares of Damon Corp. shot up 35 percent on the disclosure that Corning Inc. offered to acquire the clinical testing laboratory company for \$23 a share, about \$370 million.

Damon shares were up \$5.875, at \$22.625, on the New York Stock Exchange. The offer, in cash, or a combination of cash and Corning stock, tops a \$16-a-share bid last week by National Health Laboratories Inc., to which Damon conditionally agreed.

LTV Emerges From Bankruptcy

CLEVELAND (AP) — LTV Corp. formally emerged from U.S. Bankruptcy Court protection Monday, capping a seven-year odyssey in which the conglomerate sold its defense and aerospace divisions to concentrate on steel and energy.

For the Record

Boeing Co. is planning to update its medium-range 737 model, the best-selling airplane in the world, with a craft capable of flying across the United States. The 737X would compete with Airbus Industries' A-320 and A-321 jets.

Weekend Box Office

LOS ANGELES — "Jurassic Park" racked up another \$28.1 million last weekend, bringing its three-week total to more than \$171 million. Following are the Top 10 moneymakers for the weekend, based on Friday ticket sales and estimated sales for Saturday and Sunday.

Table with columns: Rank, Title, Weekend Gross, Total Gross. Includes Jurassic Park, The Sandlot, The Sandlot.

U.S. FUTURES

Table with columns: Season, High, Low, Close, Chg. Includes Grains, Metals, Livestock.

WORLD STOCK MARKETS

Table with columns: Agency, Stock Name, Price, Change. Includes Amsterdams, Brussels, Frankfurt, London, Paris, Sao Paulo, Singapore, Tokyo, Zurich.

Stock Indexes

Table with columns: Index Name, Value, Change. Includes S&P 500, NYSE Composite, Dow Jones Industrial Average.

Elf Leads Oil Rush to East Europe

French Firm Bets Heavily on Russia, Kazakhstan

By Agis Salpukas
New York Times Service

Lofk le Floch-Prigent, the chairman of Elf Aquitaine, discussing the French oil company's bold exploratory drilling in the former Soviet Union, spread his hands in a gesture of incredulity and asked: "Where is there no risk? Qatar is risky, Mexico is risky, California is risky."

The companies that invested heavily to explore in California, for example, he said, are now prevented from further drilling because of a strong environmental movement, he said.

Spurred by his company's need to find more oil, he has bet early and heavily on drilling in Russia and Kazakhstan. Elf, which some analysts consider an up-and-coming mid-sized player on its way to becoming one of the majors, is also positioning itself to have a dominant position to sell gasoline in what was East Germany.

Elf's agreement in Russia covers 20,000 square kilometers (8,000 square miles), located east of the Volga River between the cities of Saratov and Volgograd. The company will begin drilling in an area similar in size near Temir in Kazakhstan by end of

the year. Elf estimated that the effort, which will cost several hundred million dollars, could lead to production in 1995.

Some analysts and peers were taken aback initially, feeling that Mr. le Floch-Prigent and his management moved too fast and recklessly in putting so much of Elf's future on the line in areas rife with ethnic strife and political uncertainty. But he has recently found company.

Earlier this month, Mobil Oil Co. and six other major international oil concerns signed an agreement to develop fields in the Caspian Sea, which could hold

some of the richest reserves in the world.

Chevron Corp., after five years' work in Kazakhstan, is now moving oil out. Moreover, it has announced plans to scale back its American operations to free more money to invest in Kazakhstan, possibly for a new pipeline.

Weighing the political risks against the potential for finding oil, Mr. le Floch-Prigent judges his course sounder than drilling in perhaps more stable areas and coming up dry.

Few in the industry feel as venturesome as Elf. "We're not going

to be part of the first wave," said W. Wayne Allen, the president and chief operating officer of Phillips Petroleum Co., which prefers to develop fields in politically safer areas.

Elf, however, believes the opportunity to gain a foothold in a region where reserves may prove almost as great as the Middle East may not last long and makes the risk worth taking. Russia and neighboring republics are forming strategies for developing their oil.

Thus, after more than a decade of sinking wells in such countries as Indonesia, Malaysia and Australia and spending about \$1 billion for modest results, Elf has retreated in its proven fields in Africa and the North Sea and shifted its new ventures to Russia, Kazakhstan and Venezuela.

Russia and the new republics, by comparison, he said, are much closer to home for the French company, and both France and Germany have been linked to the Russian oil and gas fields by pipelines for decades.

But the clincher is the oil. There is little doubt it is there, he believes, and thus the risk of coming up with dry holes is small.



Brent Walker's Loss Widened Last Year To £427 Million

By Agis Salpukas
New York Times Service

LONDON — Brent Walker Group PLC on Monday reported one of the biggest losses in British corporate history as the troubled pub and betting company was hit by huge interest charges and write-downs on the value of its pub chain.

Brent Walker said its pretax loss widened to £427.4 million (156.9 million) in 1992 from £67 million

for equity, creating 176 million new common shares and 232.4 million new preference shares.

Some £327 million of remaining bank debt and deferred interest was converted into term debt to be repaid from selling businesses and from profit from Brent Walker's existing operations. A rescheduling of any remaining debt was set for the end of 1997.

Brent Walker said 1992 sales at its betting chains William Hill and Mezza rose to £1.41 billion from £1.38 billion a year before. The chairman's operating profit declined 4.3 percent to £41 million.

Mr. Bright said that after the shake-up in the brewery industry, during which Brent Walker sold its Camerons Brewery in 1991 to focus on pubs, he was "confident that Pubmaster, one of our core businesses, will have significant growth for the future."

Pubmaster, Britain's largest independent pub group, reported an operating profit of £12.5 million before exceptional items.

Plans to sell other peripheral businesses didn't fare well last year, Mr. Bright said, because "the market for many of the assets has been very weak."

The loss was the result of a one-time charge of £5.46 million, which included a £210 million write-down on its pub assets, and interest charges of £204.4 million.

The interest charges arose from the £1.6 billion restructuring program of March 1992, which left Brent Walker's bankers as the company's largest shareholders.

For the second year running, the company continued its dividend. "It would be difficult to forecast any improvement in the company's fortunes in the immediate future," said the chairman, Keith Bright.

Mr. Bright, former head of London's transport network, took over as chairman at the end of January after Lord Kindersley resigned. Under the restructuring program, £250 million in debt was swapped

German Industry Fears for 10% of Jobs

Compiled by Our Staff From Dispatches

HAMBURG — Tyll Necker, the president of the Federation of German Industry, said Germany could lose up to 800,000 jobs because many companies were moving their production plants abroad, *Manager Magazine* said.

Mr. Necker said to the magazine, which was made available Monday ahead of publication next month, that the job losses could amount to

10 percent of Germany's industrial jobs and that high costs were forcing companies to move much labor-intensive production to Eastern Europe.

He said the trend was especially clear for car components, metalworking and textiles. Those sectors are engaged in a tough struggle with international competition.

hours and high corporate taxes, we are on the downward path," he said.

Mr. Necker also called at a news conference for "harsh measures" to reduce budget deficits at all levels of government in order to restore "confidence of investors and consumers."

"We are seeing the beginning of the transformation to a state economy from a market economy," he said, adding that the state's share in the gross national product rose to more than 50 percent from 45 percent before unification in 1990.

Mr. Necker also urged workers to do without new wage rises, freezing their incomes at current levels until the end of 1994.

"The wage accords in Western Germany this year were not enough to correct wrong developments over the last few years," he said. "With a real decline in gross social product, there is nothing to distribute."

Meanwhile, the Federal Statis-

tics Office announced Monday that West Germany's preliminary cost-of-living index rose 0.1 percent in the month to mid-June and climbed 4.1 percent from a year earlier.

That compares with a monthly increase of 0.3 percent and an annual climb of 4.2 percent in May, *Reuters, AFP, Bloomberg*

Defending the Mark

Guntram Palm, the president of the regional central bank of Baden-Wuerttemberg, said he was not worried about the future of the Deutsche mark but urged the government to cut the budget deficit. *Reuters reported from Bonn.*

Mr. Palm, a member of the Bundesbank's decision-making central bank council, criticized the current weakness of the mark to "negative opinion-making at home and abroad," according to a press release distributed in Bonn.

"He is not afraid for the future of the mark," said the release.

Talks Are Set for July On Japan Car Sales to EC

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community, in talks scheduled for July, will ask Japan to reduce the number of cars it exports to the Community, the EC Commission said Monday.

The Japanese government has already agreed to trim exports of cars to the Community by 9.4 percent this year because of the assumption that 1993 new car sales in the EC would decline 6.5 percent from 1992.

The commission said it would ask the Japanese to reduce exports even further because it now looks like the EC car market will shrink by more than 6.5 percent this year.

In the first five months of the year EC new car registrations fell by 18 percent from a year earlier, the commission said.

The European car industry

has predicted that sales will be down at least 13 percent over 1993 as a whole.

The commission wants the talks to take place in the second week of July. Japan's trade minister, Yoshiro Mori, agreed to meet EC representatives before August, the commission said.

Over the first five months of the year, Japan exported 521,000 vehicles to the Community, according to Japanese trade ministry figures. The existing agreement provides for a total of 1,089,000 units for 1993.

The April 1 accord to cut imports of cars from Japan had its roots in a July 1991 agreement between the Community and Japan to limit the imports until the end of 1993, to give European carmakers time to prepare for unmitigated competition. *(Bloomberg, AFP)*

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
1800	3300	2100		
1700	3200	2000		
1600	3100	1900		
1500	3000	1800		
1400	2900	1700		
1993	1993	1993		
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	112.70	111.50	+1.08
Brussels	Stock Index	6,475.84	6,447.41	+0.44
Frankfurt	DAX	1,707.20	1,695.24	+0.71
Frankfurt	FAZ	861.39	858.26	+0.48
Helsinki	HEX	1,138.05	1,107.70	+2.74
London	Financial Times 30	2,288.50	2,264.90	+0.16
London	FTSE 100	2,897.00	2,887.50	+0.33
Madrid	General Index	259.16	257.68	+0.57
Milan	MB	1,191.00	1,183.00	+0.68
Paris	CAC 40	1,990.85	1,960.84	+1.54
Stockholm	Aktorsvaerden	1,323.62	1,295.30	+2.19
Vienna	Stock Index	378.77	376.93	+0.49
Zurich	SBS	809.80	804.30	+0.68

Sources: Reuters, AFP

Very briefly:

- Ireland announced drastic cuts in fishing quotas — sought by marine biologists — and said it would devalue the krona to offset the effects of the reduction in the cod catch: Prime Minister David O'Donnell estimated the devaluation would be from 6 percent to 10 percent.
- Bank of Portugal reduced its short-term liquidity absorption rate from 11 to 10.5 percent and the rate on cash loans from 12 to 11.5 percent.
- Airtrons PLC said its pretax loss more than doubled in the first half of the year, reflecting £9 million (£13.3 million) in costs linked to its failed bid for rival Owners Abroad PLC; Airtrons said its pretax loss widened to £15.9 million in the six months ended March 31 from £5.6 million in the corresponding period the year before.
- The EC Commission said it would examine a telecommunications joint-venture between France Telecom and Deutsche Bundespost Telekom, through which the state-owned telecommunications companies would offer international corporate networks and services to private users.
- Knarnt Corp. will invest \$60 million to restructure nine of its 13 stores in the Czech and Slovak republics; the first phase will cover renovations and management training at three of the largest Knarnt stores in Prague and Brno and the Bratislava store. *(AFP, Reuters, AP, Bloomberg)*

AGF Lifts AMB Stake to 33%

AFP-Excl. Staff

PARIS — Assurances Générales de France has paid 1.1 billion francs (\$191 million) to raise its stake in the German insurer AMB to 33.5 percent, AGF's chairman said Monday.

The executive, Michel Albert, said state-controlled AGF paid 980 Deutsche marks (\$574) a share in the market for an 8.5 percent holding in Ancherer & Münchener Be-

was to bring AGF's stake up to the commonly accepted threshold in Europe for maintaining a blocking minority stake.

In Frankfurt, AMB's share price stood at 1,065 DM, up 30 from Allianz.

Allianz AG Holding has 5 percent of AMB, Münchener Rückversicherungsgesellschaft holds 8.6 percent, Dresdner Bank 14 percent and Deutsche Bank 10 percent.

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	PE	100s	High	Low	Latest	Chg
100	90	15	100	100	90	100	0
110	100	15	110	110	100	110	0
120	110	15	120	120	110	120	0
130	120	15	130	130	120	130	0
140	130	15	140	140	130	140	0
150	140	15	150	150	140	150	0
160	150	15	160	160	150	160	0
170	160	15	170	170	160	170	0
180	170	15	180	180	170	180	0
190	180	15	190	190	180	190	0
200	190	15	200	200	190	200	0

12 Month High	Low	PE	100s	High	Low	Latest	Chg
210	200	15	210	210	200	210	0
220	210	15	220	220	210	220	0
230	220	15	230	230	220	230	0
240	230	15	240	240	230	240	0
250	240	15	250	250	240	250	0
260	250	15	260	260	250	260	0
270	260	15	270	270	260	270	0
280	270	15	280	280	270	280	0
290	280	15	290	290	280	290	0
300	290	15	300	300	290	300	0

12 Month High	Low	PE	100s	High	Low	Latest	Chg
310	300	15	310	310	300	310	0
320	310	15	320	320	310	320	0
330	320	15	330	330	320	330	0
340	330	15	340	340	330	340	0
350	340	15	350	350	340	350	0
360	350	15	360	360	350	360	0
370	360	15	370	370	360	370	0
380	370	15	380	380	370	380	0
390	380	15	390	390	380	390	0
400	390	15	400	400	390	400	0

12 Month High	Low	PE	100s	High	Low	Latest	Chg
410	400	15	410	410	400	410	0
420	410	15	420	420	410	420	0
430	420	15	430	430	420	430	0
440	430	15	440	440	430	440	0
450	440	15	450	450	440	450	0
460	450	15	460	460	450	460	0
470	460	15	470	470	460	470	0
480	470	15	480	480	470	480	0
490	480	15	490	490	480	490	0
500	490	15	500	500	490	500	0

12 Month High	Low	PE	100s	High	Low	Latest	Chg
510	500	15	510	510	500	510	0
520	510	15	520	520	510	520	0
530	520	15	530	530	520	530	0
540	530	15	540	540	530	540	0
550	540	15	550	550	540	550	0
560	550	15	560	560	550	560	0
570	560	15	570	570	560	570	0
580	570	15	580	580	570	580	0
590	580	15	590	590	580	590	0
600	590	15	600	600	590	600	0

12 Month High	Low	PE	100s	High	Low	Latest	Chg
610	600	15	610	610	600	610	0
620	610	15	620	620	610	620	0
630	620	15	630	630	620	630	0
640	630	15	640	640	630	640	0
650	640	15	650	650	640	650	0
660	650	15	660	660	650	660	0
670	660	15	670	670	660	670	0
680	670	15	680	680	670	680	0
690	680	15	690	690	680	690	0
700	690	15	700	700	690	700	0

NYSE

Monday's Closing Tables include the worldwide prices up to the closing on Wall Street and the rest of the world's major stock exchanges.

Table with columns for NYSE, Dow Jones, and various stock indices. Includes sub-sections for NYSE High-Lows and NYSE High-Lows.

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NETWORK: A Culture of Remote Intimacy

Continued from Page 1. The network is growing fast in part because it has banished the great demon of computer technology — incompatible standards that make one machine unable to talk to another.

INTERNATIONAL FUNDS

The simplified ratings indicate frequency of quotations (daily) (D) — weekly (W) — monthly (M) — quarterly (Q) — twice weekly (TW) — monthly (M).

Table listing international funds with columns for fund name, ticker, and price. Includes sub-sections for various fund categories.

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YPF: Latin America Watches as Argentina Sells Its Crown Jewels

By Nathaniel Nash

New York Times Service

Buenos Aires — Argentina took a step Monday that no other Latin American country has done. It sold control of its oil company, YPF, to local and international investors.

The sale of more than \$3 billion in YPF stock that took place after the close of trading Monday was perhaps the most graphic illustration of the change in political and economic orientation for Argentina under President Carlos Saul Menem and, by extension, for much of the continent as it emerges from almost two decades of high inflation, protected markets, weak growth and negative investment.

Historically, state energy companies have been considered the crown jewels of any Latin American government — the patrimony of its history and the ultimate financial refuge from

the pressures of international bankers and other foreign interests that threaten national security. In the past, the hint of selling such energy companies would have stirred nationalistic outcry and predictions of economic ruin.

Argentines, however, have cheered the sale of YPF, flooding banks in Buenos Aires with four times the number of buy orders than expected. Under a plan devised by Economy Minister Domingo F. Cavallo to exchange YPF stock for Argentine bonds, the government will be able to retire almost \$2 billion of debt.

"This has to be one of the most important financial transactions in Latin American history," said José E. Rohm, executive director of Banco General de Negocios, the underwriting syndicate on the transaction.

"In one big stroke, Menem and Cavallo will consolidate an extraordinary economic trans-

formation. Other countries in the region have hardly begun to consider this. Chile still holds onto its state copper company, Venezuela and Mexico have yet to address the state monopoly of their oil industries."

[In Washington, Mr. Menem announced on Monday that shares of YPF would be offered at \$19 each in an initial public offering of 160 million shares, a greater number than previously expected, Reuters reported.

[Mr. Menem said \$400 million of the \$3.04 billion offering was being sold in Argentina, with the balance offered in the United States and elsewhere. Initially, Argentina planned to sell 125 million shares, or a 33 percent stake, but investor interest was so strong that more shares were added, Mr. Menem said, adding: "Demand has been enormous."]

The \$19 price was in the upper range of the

\$17-\$20 previously estimated by the government. YPF, in the form of American depository shares, was set to begin trading on the New York Stock Exchange on Tuesday.

Although analysts have been skeptical of the transaction because of the speed at which the First Boston Corp.-Merrill Lynch & Co. syndicate has marketed the deal, they admitted the offering had exceeded expectations. If, as investment bankers predict, almost \$2.5 billion in YPF stock is sold, it will be one of the largest initial public offerings on record as well as one of the largest privatizations. The value for the Argentine government is expected to top \$4 billion when the stock sale and debt retirement are combined.

With a total market value of about \$7 billion, YPF will be one of the 20 largest oil concerns in the world. The company will control 54 percent

of Argentina's oil and gas industry and has reserves of 2.8 billion barrels of oil and equivalents. Investment advisers noted that at around \$20 a share, the value of a barrel of YPF reserves would be about \$2.50, much less than the current average among international oil companies of about \$6 a barrel.

While the privatization of YPF represents Argentina's willingness to open its economy, the company's financial condition reflects a significant turnaround from three years ago, when it lost \$376 million, and throughout the 1980s, when it lost more than \$6 billion.

New management has cut employees from more than 30,000 to fewer than 10,000. Although it only earned \$259 million in 1992 on sales of \$3.91 billion, earnings this year are expected to exceed \$600 million and approach \$1 billion in 1994.

By next year a pipeline to Chile will be completed, opening a large market for YPF and adding substantially to its projected earnings. There are some who see a possible disruption in Argentina's economic stability and there is the worry in Latin America that a future government might decide to renationalize.

Investment bankers said the deal's structure would make nationalization nearly impossible. "We estimate well over a million Argentines will own YPF stock," Mr. Rohm said. "Now you tell me which Argentine politician would come along and take those shares out of the hands of that many voters."

Officials projected that the Argentine investors would end up with 31 percent of the company. By law, the government kept 20 percent. Ten percent went to YPF employees, and five Argentine provinces kept 11 percent.

FORTRESS: From the Suffering EC Chemicals Industry, a Protectionist Cry Rises

Continued from Page 1

that the Community put up new barriers to imports from Eastern Europe of five sensitive products including soda ash, polyvinyl chloride and fertilizer.

Without such measures, "the Community industry will suffer irreparable damage that will result in plant closures and job losses," contends Jacques Puechal, head of the European Chemical Industry Council.

John Andrews, president of the American Natural Soda Ash Corp., the export arm of the U.S. industry, said European industry had simply grown fat under the protection of the old anti-dumping duties. "These guys are not used to competing in the real world," he said. Even with the 10 percent tariff placed on imports

today, he said, "the Americans are very competitive."

East Europeans dismiss the charges of unfair competition. They regard the moves by Western industry as yet another attempt to stifle Eastern producers in the few areas where they are competitive.

"Their complaints are not grounded," said Romuald Daniel, a commercial officer at the Polish mission to the Community. "Our costs of production are lower."

The attempt to stem the rising tide of imports from the East is striking because it comes just as European leaders have endorsed moves to accelerate the opening of the EC market to Eastern Europe.

Mr. Janssen said the market opening asked too much of industry. He said it already had its

hands full coping with a weak dollar that heightens pressure from U.S. exports and with the imperatives of Europe's single market, which demand "more competitiveness, more cost-cutting and more efficiency."

Without some form of "managed" trade with Eastern Europe, Western producers could find themselves too weak to compete globally when the recession ends, he added.

"It's quite possible that some of the plants we will all be cutting in the coming weeks or months or years will perhaps be necessary two or three years from now," he said. "Is it reasonable that this benefits only the Asians and the Americans, who would then find it easy to export to Europe if there is too little capacity?"

Talk like that may sound protectionist, but

Mr. Janssen and others say they want to guard only against "unfair" competition.

East European producers, they say, are still state-owned and state-subsidized and undercut market prices. "They are losing a tremendous amount of money, but they do not know they are losing money," Mr. Puechal of the European chemical industry group said. "They do not have a market economy."

In fertilizer, for example, the industry group estimates that Eastern Europe's share of the EC market has risen to 17 percent in the selling season just ended from 4 percent in 1989-90, while prices have fallen by 10 to 15 percent in the last six months alone.

Western producers also say there is no level playing field in social and environmental protection. If Eastern Europe is allowed to buy

market share now, that will effectively promote dirtier, less technologically advanced producers.

Industry officials say their preferred solution lies with quotas, which would give Eastern producers some access to the EC market and stop the relentless price-cutting.

Solvay's answer to the competitiveness riddle has been to cut costs and jobs in its basic commodity businesses while focusing increasingly on more profitable areas like pharmaceuticals and animal health products.

Those areas have grown to 15 percent of Solvay's 25.45 billion Belgian francs (\$7.25 billion) in sales last year from 2 percent 10 years ago. The company cut 1,700 jobs in 1992 and plans to continue shedding labor at that rate this year, Mr. Janssen said. But to Albert Richards, an analyst at Credit Suisse First Boston in London, that is an undemanding pace that reflects the paternalism of a company still 55

percent controlled by its founding families. He said Solvay would need to cut 10,000 jobs from its payroll of 45,000 to match the restructuring efforts of its U.S. competitors.

Solvay also has tried to shift its geographical base both to gain better access to U.S. and Asian markets and to reduce its reliance on high-cost production in Germany, the Benelux countries and France.

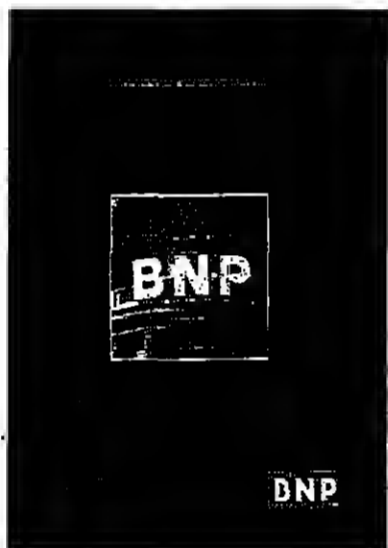
Last year Solvay bought Temeco Inc.'s natural soda ash production facility in Wyoming for \$500 million to bolster its position as the world's biggest supplier. Solvay plans to use the low-cost site to supply the American and Asian markets.

Attempts to diversify within Europe have been less successful. After the fall of the Berlin Wall, Solvay reacquired a plant in Bernburg in the former East Germany that had been appropriated before World War II. But costs have risen well beyond expectations.

Annual Reports



ALCATEL ALSTHOM
Alcatel Alsthom is a world leader in high technology equipments for communications systems (R1), cables (R2), energy and transport (world records with high power gas turbines and high speed trains - TGV). With over 280,000 people primarily in Europe, Alcatel Alsthom is active in over 100 countries around the world. In 1992, with sales of FF 162 billion, Alcatel Alsthom's net income amounted to FF 7 billion, up 14% from the 1991 level.



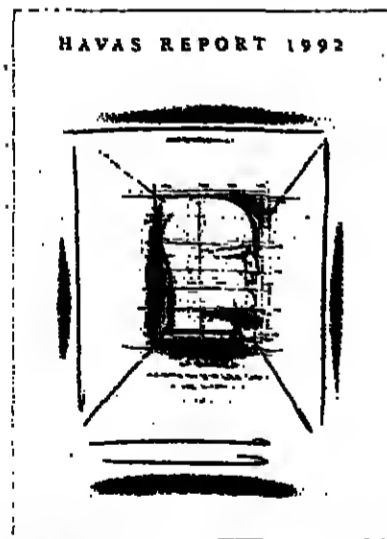
BNP
Despite an adverse environment for the banking industry, Banque Nationale de Paris had a reasonably good year in 1992, following a recovery in earnings in 1991: net operating income totaled FF 11,814 million and consolidated net income FF 2,387 million. For the future, BNP will continue to improve its geographic coverage of the most promising markets, and extend the scope of its financing and market activities, both in France and abroad; with DRESSENER BANK, BNP will enter in 1993 a crucial phase of its partnership.



CAP GEMINI SOGETI
Cap Gemini Sogeti, an independent and public group with about 20,000 employees, is one of the leading computer services companies in the world and the largest in Europe. In 1992, Cap Gemini Sogeti reached consolidated revenues of FF 12 billion (EUR 2.8), of which 70% were generated outside France. The Company's leadership is acknowledged in all advanced software technologies.



EUROC GROUP
The Swedish-based Euroc Group manufactures mineral-based building materials and chemical building materials in general. Euroc is engaged into six business areas today: Cement, Concrete, Concrete and Aggregate, Masonry Products, Floorboards and Building Materials Distribution. Operating in the North Sea and Baltic Sea regions are important growth markets for the Group. In 1992, Euroc's earnings after non-recurring items and minority shares declined from SEK 151 million in 1991 to SEK 129 million, primarily due to substantial decline in the construction market. Net financial position was robust and stable and the Group had a positive cash flow. Despite the continuing weak market, Euroc expects to remain in profit and have a positive cash flow in 1993.



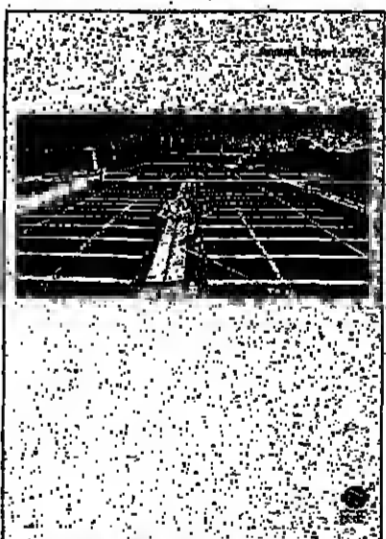
HAVAS
Created in 1936, Havas is now France's largest media and communications group. Companies set up or acquired over the years are grouped in seven business areas, operating and investing both in France and abroad: Local Media, Directories, International Multimedias Sales, Tourism, Full-Service Advertising, Publishing, Audiovisual. Consolidated revenues 1992: FF 26.2 billion. Net income, group share 1992: FF 823 million. Chairman and Chief Executive Officer: Pierre DAUZEZ.



KANSALLIS-OSAKE-PANKKI
Kansallis-Osake-Pankki, established in 1869, is the largest commercial bank in Finland. It has more 210,000 shareholders and its total consolidated assets at the end of 1992 were FIM 173 billion. Banking in Finland has been in difficulty and the banks have shown major losses. In order to strengthen the capital base, KOP recently launched a FIM 3 billion capitalization programme. The first phase of this programme involved a FIM 500 million rights issue, which was a great success. Over 130,000 owners participated in the issue showing a firm commitment to keep the bank in private hands. With strong owner support and clear signs of decreasing credit losses, the bank finances a turnaround, expecting a return to profitability by 1995.



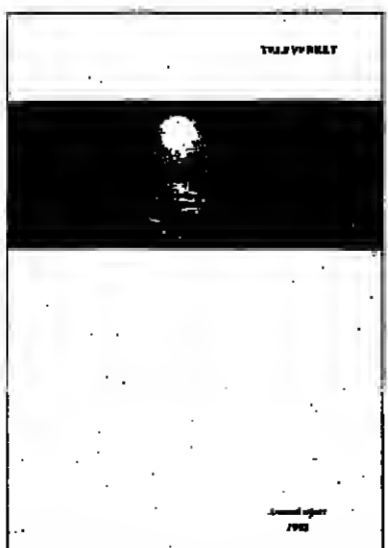
KVAERNER
Kvaerner is an international group based in Norway. The group's main business areas are mechanical engineering, oil & gas installations, pulp and paper technology, shipbuilding and shipping. Operating revenues in 1992 totalled NOK 20,000 million. Consolidated pre-tax profit was NOK 932 million. Kvaerner has 20,000 employees. Kvaerner is listed on the Oslo Stock Exchange, the London Stock Exchange and the Stockholm Stock Exchange.



LYONNAISE DES EAUX-DUMEZ
With its 120,000 men and women working on the continents, the group Lyonnaise des Eaux-Dumez - through the complementary strengths of its construction and services sectors - contributes daily to bettering the environment and the standards of living in communities world-wide. Principal sectors of activity: • Construction and water development - building and civil engineering, transport infrastructure, • Mechanical-related services - water supply and sanitation services, energy technologies, waste management, • Services to communities - health care, leisure facilities, TV and cable, security services. Key figures: Consolidated turnover: 61.4 billion French francs - Cash flow: 5.3 billion French francs - Investment: 9.9 billion French francs.



OKOBANK, a Profitable Finnish Bank
In 1992, there was only one major bank in Finland posting a profit: OKOBANK, central institution for the country's 310 cooperative banks. The OKOBANK Group serves more customers than any other Finnish banking group. It is the market leader both in the domestic deposits and lending. A comprehensive network of 1,023 offices provides full banking services nationwide. OKOBANK's capital adequacy ratio strengthened to 18.2 percent at the end of 1992. OKOBANK's Stockholm branch commenced its operations at the beginning of December 1992. The Bank also has a fully-owned subsidiary in the Cayman Islands, a finance company in London and representative offices in London, Moscow and New York.



TELEVERKET
The Televerket Group offers public and private networks for telephony, data communications and mobile telephony. In 1992, the Televerket Group's revenues totalled USD 5.9 billion, up 2%. Return on total capital was 6.8%. Televerket totalled a total of USD 1.3 billion. Telephone traffic rose 5.1%. Network performance was 99.1%.

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JAN 10 1993

SPORTS BASKETBALL

NBA College Draft: Magic Likely Will Make Webber No. 1

By Tom Friend
New York Times Service

NEW YORK — The Orlando Magic, who have Ping-Pong balls ready for their trophy case instead of trophies, are lined up first for Wednesday's college draft by the National Basketball Association. Their prize of a year ago, Shaquille O'Neal, has advised them to select the Michigan power forward Chris Webber, and although the Magic's general manager, Pat Williams, replied with a lukewarm, "Shaquille's not GM, not at last check," they likely will follow that course and select Webber.

An alternative, of course, is Brigham Young University's Shawn Bradley, the 7-foot, 6-inch (2.3 meter) missionary who as a child strengthened his grip milking a cow named Olive.

"Well, we've contemplated Bradley," Williams said, his voice sounding raspy over his ear phone. "You have to decide if Shaq and he could complement each other. I've dreamed of it. They'd be sweating every shot, grabbing every rebound. They'd be pitching shutouts, winning 108-3. That's the best side. The worst side? The worst side is we'd look great in the airport."

Yet another alternative is small forward Jamal Mashburn of Kentucky, but that is where the Golden State Warriors come in. This is an intriguing draft if only for its early participants.

Orlando, a hair away from reaching last season's playoffs, won the draft lottery with its one determined Ping-Pong ball — one out of 66 — while Golden State, freakish injuries away from reaching last season's playoffs, got the No. 3 spot.

This sets up some possible juxtapositioning. The Warriors — practically a 6-foot-6-and-under team — covet Bradley, but so do the Philadelphia 76ers, choosing second. The Magic, if they so desire, can become harterers.

Orlando, in fact, has discussed trading its top pick to the Warriors in exchange for Golden State's No. 3 pick and one of three players: forward Billy Owens (although he is about to undergo arthroscopic knee surgery), guard Sarunas Marciulionis or the All-Star guard Tim Hardaway. In that scenario, the Warriors would grab Bradley, the Sixers would select Webber and the Magic would choose Mashburn.

If there was no salary cap, it could happen.

Instead, the Magic — unless they trade or release Dennis Scott and Brian Williams — have barely the space to sign even one player, which presumably is why they will stick with Webber.

"We can't take anybody from Golden State," Williams said. "We have no cap room. As it is, it'll take a miracle to get our pick signed. Can't do it. Not one thing we can do. The Bulls could offer us Michael Jordan, and we couldn't take him."

Orlando, the envy of the league, has invited Webber, Bradley and Mashburn for tours, and even handed Webber and Mashburn gym shorts for brief workouts. Webber showed them his sheer muscle but misfired a lot on jump shots and free throws, which leaked out to Orlando reporters. When Webber then saw a newspaper critique of his 15-footer, he bristled and ruled out subsequent workouts for the 76ers or Warriors.

It is no incoherence because scouts know already what to make of him. "He's a 6-foot-9 Larry Johnson," said the Los Angeles Lakers' assistant general manager, Mitch Kupchak. Webber has also been compared to Julius Erving, merely because of his glove size.

"Huge hands," said the Detroit Pistons' general manager, Billy King. "I don't know if they're the same size as Doc's, but people always ask about Chris's shot, and the first thing I notice is his hand size. Go through the history of the game, and people with hands the size of Julius and Chris have trouble shooting."

Webber's hands are nonetheless delectable, partly because he is a video-game addict. When NBC had a camera in his home during the league finals, Webber was playing the video game Sega rather than watching the Bulls.

"What's Sega?" said Bradley, who spent the last 24 months on an Australian mission.

In fact, Bradley refused a Magic workout because of his rustiness. Skeptics say Bradley is too frail, but, in the outbreak, he carried around an 8-foot futon and slept on the floor for two years. He will not be a complainer and is glad just to be able to afford a roomy pickup truck. "I drive like most people drive a go-cart," he said. "Knees under the steering wheel."

The Warriors, meanwhile, are treating their pick like a state secret. Their coach and general manager, Don Nelson, has been a recluse, but is said to admire swing man Anfernee Hardaway as much as Mashburn. It is possible Golden State will draft Hardaway, team him with their other Hardaway in the backcourt and trade Owens and Marciulionis for a veteran center. Cleveland's Brad Daugherty and Washington's Pervis Ellison are on their wish list.

Webber, whose hometown of Detroit is host to the draft, is throwing a post-draft party at his house for all the players.

"Is Shaquille invited?" asked Teresa Bradley, his mother.



HE'S PLAYING FOR OTHERS' MONEY — Michael Jordan, fresh from the Chicago Bulls' third straight NBA championship and questions concerning his gambling, returned to the golf course in Greenville, North Carolina, this time for a benefit tournament.

League Says Marseille Can Defend Titles

Compiled by Our Staff From Dispatches

PARIS — Marseille will be able to defend its French and European titles next season despite the threat of severe sanctions hanging over the team, the president of the French soccer league said Monday.

Noël Le Graët said that no disciplinary action would be taken until the end of a judicial investigation into allegations by Valenciennes players that a Marseille official and a player tried to bribe them to lose a match last season.

The official, Jean-Pierre Bernès, remained hospitalized Monday, delaying his appearance before a judge for questioning.

The league's decision means Marseille can take part in next month's European Cup draw and the first division season that starts July 24, whatever the legal outcome.

French league rules provide for the relegation of teams who rig matches. But Le Graët said an early legal decision could not be expected and that a demotion could take place after the start of the season.

UEFA will study the allegations but take no action before French authorities complete their investigation, Thomas Kurth, head of the competitions department, said at UEFA headquarters in Bern.

Asked whether Marseille might have to give up its trophy, Kurth said: "Currently we cannot see anything that would justify that."

(AP, Reuters)

For the Indians, 3's a Charm: 3d Hero in 3d Straight Victory

The Associated Press

Three games, three victories, three heroes.

"It's been somebody different every night," Reggie Jefferson, Cleveland's hero du jour, said Sunday night after his ninth-inning home run beat the Kansas City Royals, 3-2, in Cleveland.

The suddenly improved Indians swept the three-game series from the Royals, who lost three in a row for the first time since they dropped the first five games of the season. Cleveland has won six of its last seven and is 23-15 at home.

Paul Sorrento's eighth-inning grand slam won the first game of the series Friday night. Albert Belle hit a game-winning triple, in the eighth, Saturday night. Sunday night, it was Jefferson's turn.

"It's not easy on your nerves, but when it's over, it's good," said the Indians' manager, Mike Hargrove.

David Cone blanked the Indians on two hits until the seventh, when Thomas Howard's two-run double tied the score. Sorrento and Jefferson started the inning with singles, advanced on a sacrifice and scored on Howard's hit.

In the ninth, Cone struck out Sorrento, but Jefferson lined the next pitch into the right-field seats.

"It's not easy on your nerves, but when it's over, it's good," said the Indians' manager, Mike Hargrove.

White Sox 6, Mariners 4: Frank Thomas hit a two-run homer and extended his hitting streak to 17 games — two short of his career-best — as Chicago, playing at home, won for the sixth time in its last seven games and opened a 2½

game lead over the Royals and Angels in the AL West.

Rangers 4, Athletics 0: Kevin Brown pitched a five-hitter to win for the first time since June 4 and

AL ROUNDUP

Texas, playing at home, hit three homers off former Ranger Bobby Witt.

Rafael Palmeiro, Maria Diaz and Ivan Rodriguez all bombed off Witt, the first time he had yielded three gopher balls in a game since 1986.

In earlier games reported in some Monday editions:

Yankees 9, Orioles 5: New York, with homers from Jim Leyritz, Mike Stanley, Bernie Williams and

Danny Tartabull, ended Baltimore's six-game winning streak and kept the Orioles from tying the club record of 12 straight at home.

Blue Jays 5, Brewers 4: John Olerud went 3 for 3 in Milwaukee, to raise his average to .405, and Jack Morris took a no-hitter into the seventh in Toronto. Joe Carter, whose two-run homer made it 5-0 in the seventh, made a leaping catch to rob Kevin Reimer of an extra-base hit in the eighth, killing Milwaukee's rally.

Twins 2, Angels 0: Jim Deshaies held visiting California to four hits for eight innings. Brian Harper drove in Minnesota's first run with a first-inning single and the other scored on Kent Hrbek's double-play grounder in the fifth.

Roy Campanella: A Matter of Heart

By Dave Anderson
New York Times Service

NEW YORK — Only the medical cause of Roy Campanella's death was a surprise: heart attack.

You always thought that when Campy died, it would be from complications of having been a quadriplegic since his car skidded on an icy road and slammed into a telephone pole early in 1958. Or from being a diabetic. Or from pneumonia. Or problems from his gallstone surgery three years ago. But not his heart. Never his heart.

In or out of sports, nobody has ever had a stronger heart than Roy Campanella did.

"People look at me and get the feeling that if a guy in a wheelchair can have such a good time," Campy often said with a smile, "they can't be too bad off after all."

Before the Dodgers deserted Brooklyn for Los Angeles after the 1957 season, Jackie Robinson was their flame but Campy was their heart. "To play in the big leagues, you got to be a man," he once said sitting in the dugout at Ebbets Field, "but you got to have a lot of little boy in you, too."

Put it on his tombstone.

As an eventual Hall of Fame catcher, as a three-time winner of the National League's most valuable player award, Campy was a man his teammates listened to. When the Dodgers were leaving the dugout for the ninth inning of the seventh game of the 1955 World Series, several players suddenly were advising Johnny Podres how to pitch to the Yankees.

"Let him alone," Campy barked. "Don't let everybody tell him how to pitch now. He's done fine for eight innings."

Podres completed a 2-0 shutout for Brooklyn's only World Series championship. With that in mind, Dodger fans have always wondered if the New York Giants would have rallied to win the 1951 pennant on Bobby Thomson's home run if Campy had been catching. Campy somehow would have coaxed Big Newk through that ninth inning.

"Not only are you wrong," Campy once told the Dodgers' ace right-hander, "but you are long wrong."

As it was, Campy missed the last two games of that two-of-three-game playoff with a pulled hamstring muscle.

"I begged Charlie Dressen to let me play, begged him," he said not long ago, "but he wouldn't let me."

The little boy in Campy was still talking. He couldn't have covered the vast foul-ball territory in the Polo Grounds that day; he couldn't have run to first base. But at age 71, he still believed he could have played and should have. He always had. Two weeks before that 1951 pennant he had been beamed in Chicago, and the Dodgers' general manager, Buzz Bavasi, accompanied him to the hospital.

"You don't have to stay with me, Buzzy," he said. "You know I'm all right."

"If I don't stay," Bavasi said, "you'll walk out of here."

Vantage Point

BUT AS TALL as Roy Campanella stood as a baseball player, he somehow stood even taller when he couldn't stand at all. Try to imagine what it's like to be a quadriplegic for more than 35 years without walking, without feeling sorry for yourself.

"I know that breaking your neck is a tough way to learn a lesson," he has said, "but lying in bed paralyzed, I learned two things: tolerance and patience. Toward myself and everybody else. That's love, isn't it?"

But whenever you saw him, wherever you saw him, Campy was always smiling. When he was in Northridge Hospital in California for nearly two months with pneumonia and diabetic complications before his 1990 gallstone surgery, he never stopped smiling.

"His nurses say he's always cheerful and charming," a hospital spokesman said at the time. "Roy Campanella is a hero here."

To anyone who was ever around him since his accident, to anyone who ever sat with him outside the kitchen after dinner at Dodgerstown in Vero Beach, Florida, during spring training, Campy was a hero in the real sense, not the sports sense.

"I'm having a wonderful second life," he once said. "I want to tell everybody about it. I want them to remember that when trouble comes, it ain't always bad. Take it with a smile, do the best you can and the good Lord will help you out."

Maybe the cause of Roy Campanella's death early Sunday is understandable after all. His heart had been strong enough for two lives.

TO OUR READERS IN FRANCE

It's never been easier to subscribe and save with our new toll free service. Just call us today at 05-437 437

DENNIS THE MENACE

OKAY, AIN'T RUFF WILL DO SOMETHIN' REAL OUTE. WHEN RUFF RUNS OUT WITH THE COOKIES, YOU DUCK INTO THE KITCHEN AN GRAB THE COOKIES!

JUMBLE

Uncovers the most famous words in the English language. Includes words like LUCOT, MALLUB, AFDACE, GOHEAM.

LUOT

MALLUB

AFDACE

GOHEAM

What it takes to set these two all-fired up.

Put answer here: _____

PEANUTS

CRACK!

HE HIT IT! CHARLIE BROWN HIT IT! THE BALL IS GOING TO THE FENCE! RUN, CHARLIE BROWN! RUN!

OH NO! THE WORLD IS COMING TO AN END! I ALWAYS KNEW IT WOULD END THIS WAY!

BLONDIE

JULIE'S COMING OVER TO BABY-SIT ME TONIGHT!

SHE'S THE BEST BABY-SITTER IN THE WHOLE WORLD!

IF I GET IN TROUBLE, SHE KNOWS EXACTLY WHAT TO DO!

KEEP HER MOUTH SHUT!

BEEBLE BAILEY

I CAN'T LET YOU BRING OTTO IN HERE ANYMORE, SARGE

WHY NOT, JOE?

THINGS ARE GETTING OUT OF HAND

TWO MORE BEERS AND ANOTHER BOWL OF PEANUTS, JOE

I WANT A CRACKER

DOONESBURY

I GOT AN IDEA. SHE'S GOT TO BE A DREAM!

SURE IS. WHAT'S YOUR NAME, JOE?

JOE. SHE'S GOT TO BE A DREAM!

HEE HEH! SHE'S GOT TO BE A DREAM!

A DREAM? IT'S JUST A DREAM!

THAT'S RIGHT.

ALL HAVE A DREAM. DREAMS ARE MADE OF SUGAR.

ROUND UP ALL THE DREAMS.

YES AND TWO SUGARS PLEASE.

CALVIN AND HOBBES

LIVE DELICATE LACE. SO THE THREADS INTERTWINE. OH, GOSH! I'M IN THE MIDDLE OF YOUR DESIGN! SUCH VARIETY AND GRACE! WILD NATURE PRODUCES.

UGH, LOOK AT THE SPIDER. SUCK OUT THAT BUG'S WICES!

WIZARD of ID

I SEE A NEW COMET!

NAME IT AFTER THE KING!

OH, OH... IT JUST BURNED OUT!

...THAT'S EVEN BETTER!

REX MORGAN

KEN SAYS YOU'RE GOING TO SPEAK TO THE HOSPITAL MEDICAL SOCIETY TONIGHT, KEITH!

THAT'S RIGHT... THEY WANT TO HEAR ABOUT MY EXPERIENCE AS A DOCTOR IN THE BUSH!

IT SOUNDS INTERESTING... I'M SURE THEY WILL ENJOY IT!

I DON'T KNOW ABOUT INTERESTING... BUT IT WILL DEFINITELY BE INTERESTING.

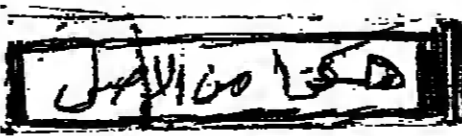
GARFIELD

DON'T YOU HATE THOSE LITTLE CRUMBS THAT FLOAT ON YOUR COFFEE WHEN YOU PUNK YOUR DOUGHNUTS?

WUCK! GARFIELD!

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SPORTS WIMBLEDON

Agassi, Other Seeds Except Sánchez Win

The Associated Press
WIMBLEDON, England — With the sizzling service returns that won the 1992 title, Andre Agassi on Monday beat Richard Krajicek, his toughest foe yet at this year's Wimbledon, to join his top challengers in the quarterfinals.

The No. 1 seed, Pete Sampras, needed repeated third-set visits from a trainer to rub ointment on a sore shoulder, but held on to beat 33rd-ranked Andrew Foster, the last Briton left in the field, 6-1, 6-2, 7-6 (8-6). Sampras will play Agassi in the quarterfinals Wednesday.

The No. 2 seeded Stefan Edberg and No. 3 Jim Courier also won their fourth-round matches, and former champions Boris Becker and Michael Stich set the stage for an all-German quarterfinal with impressive victories.

Agassi, seeded eighth but No. 1 in the hearts of Centre Court fans, edged Krajicek, 7-5, 7-6 (9-7), 7-6 (10-8), in a battle between one of the best serve-returns and one of the best servers on the tour. The ninth-seeded Dutchman played his best tennis of the tournament, but Agassi often ran down shots that seemed certain winners.

"It was a question of getting some luck on my side," Agassi said. "The second or third set could really go either way. It was unfortunate that he got all the bad breaks."

Becker, the No. 4 seed, beat Henri Leconte of France, 6-4, 6-4, 3-6, 6-3, and Stich, seeded sixth, overpowered 11th-seeded Petr Korda of the Czech Republic, 7-5 (7-4), 6-4, 7-6 (7-3). Becker has won three titles here but lost to Stich in the 1991 final, one of the most painful defeats of his career.

Germany's other star, top-seeded Steffi Graf, had her closest match of the tournament, but still advanced easily, 6-1, 6-4, over American qualifier Meredith McGrath.

Graf's principal rival, No. 2 seed Martina Navratilova, beat 16th-seeded Nathalie Tauziat of France, 6-1, 6-3.

But the women's No. 3 seed, Arantxa Sánchez Vicario, was weakened by stomach problems and became the highest ranked player to lose so far, falling to 15th-seeded Helena Sukova, 6-3, 6-4. The Czech veteran has reached the

Wimbledon quarterfinals four times before, but had not beaten Sánchez Vicario in three previous matches.

Edberg, a two-time Wimbledon champion, survived a close first set, then had no trouble with American journeyman Richard Manswili, winning by 7-6 (7-5), 6-2, 6-2, 3-6, 6-7 (7-4), 8-6.

Courier, a baseline player with four titles in other Grand Slams, overcame serve-and-volleyer Wayne Ferreira of South Africa, the No. 13 seed, 4-6, 7-6 (10-8), 7-5, 6-4.

"It was a bit of a scary match for me, but I survived," Courier said.

Courier also claimed he was now happier on grass than ever before.

"I'm not going to say I'm feeling the best I've ever felt on a tennis court but I do feel I know what I'm doing out there, relatively speaking," he said.

He next plays one of his best friends on the tour, Todd Martin, who again pulled off a five-set upset to reach his first Grand Slam quarterfinal. He beat fellow American David Wheaton, 6-4, 5-7, 5-7, 6-4, coming from behind as he did Saturday against Goran Ivanisevic.

Graf, favored to win her fifth title here, had lost only three games in her first three matches. She jumped to a 3-0 lead against McGrath to give her a 19-game winning streak, but the 148th-ranked American won the fourth game, then battled on almost even terms in the second set.

"From now, I'm going to have difficult opponents," Graf said. "I'll have to be aware of that and concentrate on every match."

Her quarterfinal foe will be seventh-seeded Jennifer Capriati, who beat her former junior doubles partner, Lisa Raymond, 4-6, 6-3, 8-6.

Raymond, 19, turned pro this month after winning her second straight U.S. collegiate singles title. She said Capriati's experience proved decisive in an otherwise even match.

"In the critical situations, that's when she played her best, and I was my weakest," Raymond said. "I have a lot of confidence in my capabilities. I just as easily could have won that match as lost it."

In other fourth-round matches, fourth-seeded Gabriela Sabatini pulled away from No. 9 Anke Huber of Germany, 7-6 (7-3), 6-0; No. 6 Conchita Martínez beat Yanku Basuki of Indonesia, 3-6, 6-2, 6-2; No. 8 seed Jana Novotna beat Miriam Oremans of the Net-



Henri Leconte leaped to the barricades, to much amusement, but found the battle lost to Boris Becker.

erlands, 7-5, 4-6, 6-4; and Natalia Zvereva of Belarus reached the quarterfinals for a second straight year, beating Zina Garrison-Jackson, 7-5, 6-2.

In the quarterfinals, it will be Zvereva vs. Navratilova, Novotna vs. Sabatini and Martínez vs. Sukova. Graf and Navratilova, winners of every title here since 1981, are heavy favorites to meet in the final.

Courier, who lost \$7,500 worth of property when his Wimbledon house was burgled last week, lost more money Monday — this time as a result of a fine for swearing.

Courier was fined \$1,900 for an

If a Full House Is Wanted, Leconte Can Deal a Joker

By Ian Thomsen
International Herald Tribune
WIMBLEDON — "New balls." Centre Court at Wimbledon is a casino operation. The chair umpire oversees the pit. The ballgirl, kneeling, pours six fresh tennis balls out of two cylinders onto nature's green felt. Surveillance cameras see all. She spreads them out — as if to say there are no secrets here — she turns them over and she flicks them out.

No more bets. Mr. Leconte, it's your deal.

"When you haven't played the big guys for a long time, it's difficult to get in on the match as soon as possible," Henri Leconte will say in his French accent shortly after his 6-4, 6-4, 3-6, 6-3 loss Monday to Boris Becker in the round of 16.

"When I was down, he knew exactly what he had to do — I mean, put more pressure on me — and he did. When you haven't played for a long time, played the big guys, that is the difference."

Mr. Leconte holds up a fresh pair with his right hand for Mr. Becker to inspect. Take a good look at Mr. Leconte in his backyard tuxedo; now tell me what you see. Sure, it's easy to see nothing of him. He's down a set already, with one more to lose. Sure, he's got a belly on him. He's also had three back operations. Another man wouldn't have recovered from that. On Sunday he turns 30.

You can say he's got no shot; that he shouldn't be sharing a table with the big guys. You be the one to tell him that. He's still got a few days before this business calls him an old man. If he wants to gamble with what he's got left, then you be the one to tell him he can't.

"In France and in Germany and in England, everywhere when I'm playing, everybody is happy to watch me playing," Leconte will say in defense of his play. "For me, that's very, very important, to be still playing and giving my best shot. I play instinctively. I love playing. Now tennis is getting more and more difficult, and a lot of tennis players are too professional. I think, they seem not to enjoy playing tennis. I think that's a good reason for me to still play on. I think that's why so many people are watching me playing."

They're even so far in this fourth set, but Mr. Leconte has to keep his wits. Does he look a little spent to you? He can't afford to lose this deal. Oh, oh, he's double-faulted.

This next point is crucial... he's smashed it a winner. Good. Just one more point for him now, one more the volley's there if he wants it... oh, not he's left it in the net.

It's going to be mean on him now. They're at dance, and Mr. Becker isn't the forgiving type — not usually — but if I'm not mistaken he's left this job a little flat.

Mr. Leconte! How did you miss that overhead? I know, I know. I'm getting down on him now, too, and I shouldn't, but if he just could have had it in him to take one more step backward — man, he could have smashed that thing into the stands. Now it's his break point and... ouch! he's dealt a sure forehand winner to Mr. Becker, and Mr. Becker doesn't miss many of those. I told you so. Look at Mr. Becker celebrating that point. He knew how big that one was. Now he just has to hold serve and this day is history.

"The spirit, the smell, the atmosphere," Becker will say at the age of 25, when asked why he has been such a big winner at Wimbledon. "I'm here for the 10th summer in a row. I've played my best tennis here every year. I don't think any man played better in the last 10 years than I did here. I know that, you know. And every year I'm coming here, I just think about the past, and that makes me really do better."

So here it is. Mr. Leconte has already got out of the way of one match point, but now he's staring down the barrel of another. Mr. Becker's returning serve with his backhand... it's got a chance down the line — it's out. He doesn't like that call. He's pointing at the chair umpire and the linesman. Mr. Becker doesn't like that call at all and... hold on a minute. Here we go. Here we go.

Will you take a look at Mr. Leconte. See what he's doing, standing on the spot, staring at Mr. Becker, smiling at the idea of that shot being called in? Mr. Becker is pointing his racket like a machine gun at him. The people are liking this, with one notable exception. Finally Mr. Becker's looking up to receive serve... and Mr. Leconte is bouncing the ball off his own head.

"I've played him 10 years," Becker will say with a smile. "I know his jokes by now. They are not new to me."

He loses the fourth match point eventually, but not before holding serve in that game. A lesser opponent might have been baited by such jokes. He's had his chances, give him that. If time is money, then he can afford his losses.

"I'll be there next year, definitely," Leconte will promise finally. "I mean, you cannot have any job that could be better than that."

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SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division

Team	W	L	Pct.	GB
Toronto	45	39	.537	0
Detroit	43	41	.512	2
New York	36	48	.429	9
Baltimore	34	50	.405	11
Boston	34	50	.405	11
Cleveland	22	62	.260	23
Minnesota	21	63	.250	24

West Division

Team	W	L	Pct.	GB
Chicago	45	39	.537	0
California	37	47	.439	8
Kansas City	37	47	.439	8
Seattle	36	48	.429	9
Texas	33	49	.402	12
Minnesota	31	49	.388	14
Oakland	21	63	.250	24

NATIONAL LEAGUE

East Division

Team	W	L	Pct.	GB
Philadelphia	45	39	.537	0
St. Louis	43	39	.520	2
Montreal	37	47	.439	8
Pittsburgh	36	48	.429	9
Chicago	34	48	.412	11
Florida	24	58	.293	21
New York	22	60	.268	23

West Division

Team	W	L	Pct.	GB
San Francisco	41	43	.488	0
Atlanta	38	46	.451	3
Houston	38	46	.451	3
Los Angeles	38	46	.451	3
Cincinnati	30	54	.357	11
San Diego	29	49	.366	12
Colorado	24	54	.302	17

Sunday's Line Scores

AMERICAN LEAGUE

Detroit 000 000 200 2 0 0
 Boston 002 100 000 0 14 0

Gouffon/Knudson (8), Macdonald (8) and Telford/Doran, Bonhomme (7), Heston (6) and Heston/W-Downs, 6-5 L-Godwin, 4-4 HRs-Detroit, Telenius (1), Deer (1), Boston, Downes (3), Greenwell (1), Callahan (1), 000 000 000 0 2 0
 Minnesota 000 010 000 0 6 0
 San Diego and Orlan/Delmonico, Aquilino (1) and Heston/W-Downs, 6-5 L-Godwin, 5-4 S-Aguilino (1), 000 100 000 0 14 0
 Baltimore 101 100 000 0 12 0
 Perez, Alvarez (7), Howe (8) and Starnes/O'Donoghue, Fretwell (7), Pennington (8) and Topchet/Hodes (9) W-Perez, 5-4 L-Godwin, 6-1 S-Howe (2), HRs-New York, Starnes (9), Levitz (4), Williams (7), Turbinelli (10), Baltimore, Devereaux (1), Rabin (9), 001 020 200 0 11 0
 Milwaukee 000 000 200 0 0 0
 Morris, Cox (7), Ward (8) and Borzars/Wagon, Fretwell (1), Lind (7), Henry (9) and Lamkin, W-Morris, 5-7 L-Wagon, 4-12 S-Ward (2) HRs-Toronto, White (10), Carter (10), 000 010 120 0 10 0
 Seattle 001 200 000 0 0 0
 Chicago

DeLuca, Power (3) and Heston/McPhee, Rios (1), Schatz (8), Hernandez (9) and Lavalliere W-Fernandez, 8-4

SIDELINES

Lemaire New Coach of NHL Devils
 EAST RUTHERFORD, New Jersey (AP) — Hall of Fame center Jacques Lemaire was hired Monday as coach of the NHL's New Jersey Devils. Lemaire replaced Herb Brooks, who resigned May 31.

Lemaire, who played 12 years for the Montreal Canadiens, is the eighth coach in Devils' history and the club's sixth in the last seven seasons. He was recently with Montreal as assistant to the managing director.

Price, With Borrowed Putter, Finds Victory

Compiled by Our Staff From Dispatches
CROMWELL, Connecticut — Nick Price, using a borrowed putter, found the touch that eluded him at the U.S. Open and shot a 5-under-par 65 to win the Greater Hartford Open by a stroke.

Price, from Zimbabwe, played bogey-free golf for the final 28 holes and finished the tournament Sunday at 9-under 271, matching the low four-round score on the 3-year-old course. Dan Forsman and Roger Maltbie birdied the final hole to finish at 8-under. Both shot 65.

Overnight leader Corey Pavin had a 69 on the final round and finished fourth, three shots behind Price.

"I can't tell you how much this means to me," Price said. "I played so well last week" at the U.S. Open "and to end up losing everything on the greens was just so hard to accept, especially since I was putting so well recently."

"But this week has more than made up for everything. I'm just glad I found another putter."

Last week, Price became upset over ads being run by the manufacturer of his putter. So he borrowed a putter from Denis Watson on Friday, and he started making some putts Sunday.

Quotable

• Randy Barnes on the inequities in sports: "I'm the world record-holder in the shot put and I'm still living at home with my parents."

Mansell Skids Off Track, Can't Catch Fittipaldi

The Associated Press
PORTLAND, Oregon — Nigel Mansell made a mistake and Emerson Fittipaldi didn't.

That was the difference between first and second place Sunday in the Budweiser-G.I. Joe's 200 Indy car race at Portland International Raceway.

Fittipaldi pounced on the opportunity when Mansell, the leader for the first 27 laps on the 1.95-mile (3.14-kilometer), nine-turn road course, locked his brakes and slid into a runoff area.

Nothing could deter Fittipaldi after that, not a mid-race rainstorm or Mansell's late-race, all-out charge.

In the end, the Indianapolis 500 winner came up with his second

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ART BUCHWALD

Taming the Press Corps

WASHINGTON — There has been a great deal of discussion in Washington recently about the unhappiness of the White House press corps. They have been described as surly, uninformed and constantly in a feeding frenzy.

The situation was so bad that David Gergen, a Republican lion tamer, was brought in to calm them down.



Buchwald

Although people see the White House press corps on television there are many misconceptions about them. The first is that the corps is one big happy family. The truth is that the electronic media has the print media and vice versa. These ill feelings cause them to turn on the president.

In order to fully understand the White House press corps you have to be aware of who they are and what they do.

The correspondents, male and female, are located in the White House basement and live in cages. They have bars over their bodies and twice a day someone from the Press Office comes down and throws them a banana.

After eating the banana they thump themselves on the chest and let out loud screams that can be heard in the Oval Office.

The reason President Clinton hired David Gergen was that the correspondents started refusing to

eat the bananas and were throwing them back at George Stephanopoulos.

The unrest among the correspondents could not only be attributed to the bananas. The print people and the TV reporters were constantly at each other's throats. Most of the confrontations were about the newspaper reporters tripping over television cables.

This was typical of the dialogue heard almost every day:

"I almost broke my leg because of your damn cables."

"Why don't you watch where you're going?"

"Why don'tcha suck a soundbite?"

It wasn't just the cables that got the print people mad, but the fact that the television reporters were hogging the president's press conferences. Not only did the president recognize them by name, but because they were going to be on the tube they were always so much better dressed than their journalist counterparts.

It has long been acknowledged that the public is much more interested in a TV correspondent's question than the president's answer. The animosity of the electronic media toward the print media has always been great because the TV people claim that the scratching of reporters' pens interferes with their sound equipment.

Whatever the truth, the White House has never been a happy place for reporters to work in, which is why they vent their frustration at the people who live there.

This is particularly true when they see the president's mood which is then delivered by a television reporter on the White House lawn.

"A frustrated Bill Clinton kicked the dirt while jogging this morning when someone told him that he had a half-brother he didn't know existed. Coming on the heels of a defeat of his income tax plan, this revelation is certain to send him plummeting in the polls. Critics now predict that Mr. Clinton will be remembered as the first president in U.S. history who was incapable of governing the country. Unidentified sources hint that the president may resign and appoint David Gergen as his successor."

Spoletto Festival Opening With Puccini Opera

SPOLETO, Italy — The Two World Festival opens here Tuesday with a performance of Puccini's "Il Trittico," produced by Gian Carlo Menotti, the festival's artistic director.

The three-week festival will include the London box-office success "Salome" by Oscar Wilde, produced by Steven Berkoff, and "The Barber of Seville" by Rossini. It also features the latest staged opera "The Ring of the Nibelung" by Richard Wagner.

Kennedy Book: Fact and Fiction?

By Sarah Lyall

NEW YORK — Joe McGinniss's forthcoming book about Senator Edward M. Kennedy, "The Last Brother," includes a riveting description of Kennedy and his sister Eunice Shriver standing beside their father's bed in November 1963, struggling to break the news that President John F. Kennedy had been shot.

The senator "wanted to speak," McGinniss writes. "He was going to speak. He just needed one more moment to think of how to begin. And so he stood at the foot of the bed, as nude as his father, his hands clasped behind his back, unable even to look the old man in the eye."

"Finally, Eunice could take it no more. She threw herself on the bed and began to shout: 'Daddy! Daddy, there's been an accident. But Jack's O.K. Jack was in an accident. Daddy.'"

McGinniss — a best-selling author who has been involved in controversy before — interviewed neither Kennedy nor Shriver. Although "The Last Brother" is called nonfiction, much of the dialogue and internal monologues are compelling enough to be fictional — and they are.

In a note on the copyright page of the book, which is to be published by Simon & Schuster this fall, the publisher says: "The events and circumstances described in 'The Last Brother' have been extensively researched by the author. Some thoughts and dialogue attributed to figures in the narrative were created by the author, based on such research and his knowledge of the relevant people, places and events."

Carolyn K. Reidy, the president and publisher of Simon & Schuster, said in an interview that McGinniss had intentionally written a work of "interpretive biography." There are certain scenes where he has used his imagination, based on his research, to infer a thought process or perhaps even a conversation in order to give the scene and what's going on its full expression. He was not intending to write

a book that has 150 pages of footnotes.

The publisher's note could well leave the reader baffled about what is true and what was made up, said Martin Garbus, a lawyer specializing in First Amendment cases. "What you're doing is putting thoughts into people's minds that are clearly your own invention, and people are going to believe that they're true," he said.

Nonfiction books that take real people and spin fictional accounts of their thoughts and conversations in real settings are not new, of course. The most famous example is probably "In Cold Blood," in which Truman Capote, serving as an omniscient narrator, painstakingly re-created conversations, thoughts and events leading to the gruesome murder of a Kansas family in 1959.

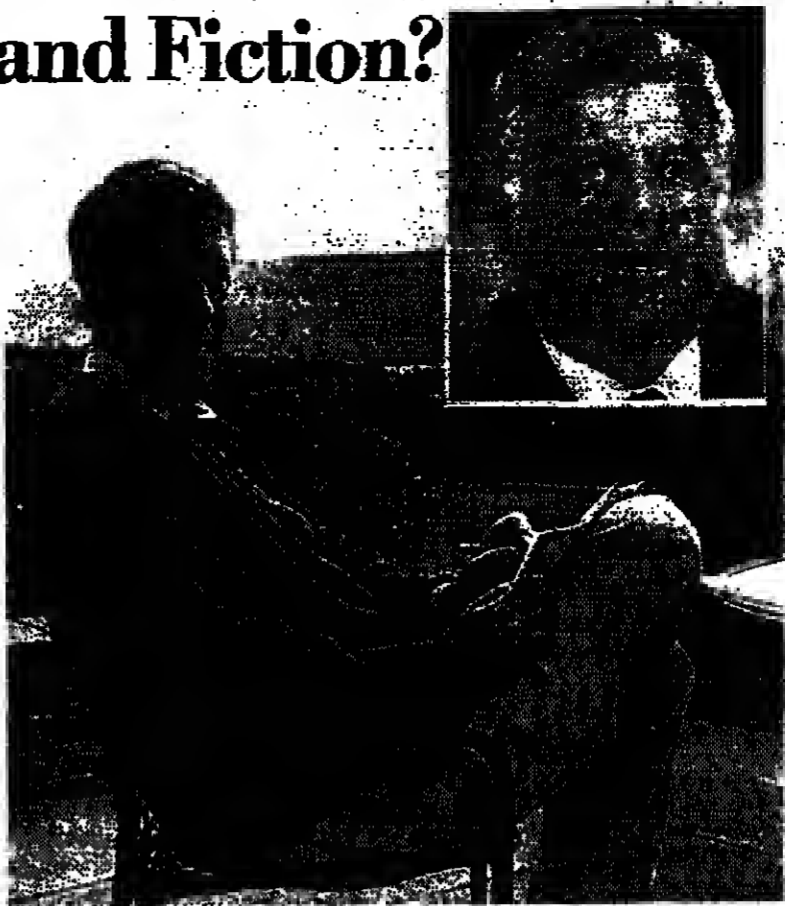
But Capote spent hundreds of hours interviewing everyone involved, including the two men who committed the murders, and said that he re-created conversations based on his interviews.

What makes "The Last Brother" an extraordinary work is that McGinniss has sometimes created the dialogue of well-known people based on his own imagination, almost as if this were the written version of a television docudrama — often described as being "based on real events" — or a movie like Oliver Stone's "JFK."

In fact, the book is already being made into a miniseries for NBC, Reidy said, and Vanity Fair is planning to run excerpts in its September and October issues.

Reidy said that McGinniss had put in extensive research of his own, poring through documents and conducting numerous interviews. "It is truly based upon real events and real people, and the vast majority is absolutely grounded in recorded fact," she said.

An excerpt of the book has already been distributed to booksellers in an effort to whet their appetites and has gained considerable advance attention. But in the



Author Joe McGinniss invented quotes in his book on Senator Kennedy.

excerpt, at least, it is often unclear which particular quotations were taken from other sources, which were made up, and which came directly from interviews.

Details of the unusual publisher's message were first reported in The Washington Post.

The Kennedy family is already gearing up to denounce the book. Last year, Kennedy and three of his sisters wrote an article for the op-ed page of The New York Times attacking "JFK: A Reckless Youth," by Nigel Hamilton, saying that it presented a distorted view of relationships within their family.

As far as "The Last Brother," said Pamela Hughes, a spokeswoman for Kennedy, "The book's own publisher admits that it's free-form journalism. Senator Kennedy and his family did not cooperate with Joe McGinniss in any aspect of this book."

One of the people featured in the excerpt is Milton Gwirtzman, a Washington lawyer who was with Kennedy on the day the president was shot. The book describes the increasingly distraught senator rushing from house to house in Georgetown, trying to find a working telephone to reach his brother Robert, then the attorney general.

Gwirtzman said that he had not cooperated with McGinniss and that the author had taken much of the material from William Manchester's book "The Death of a President," spinning it out to impose imaginary thoughts on Kennedy. Manchester created dialogue in his book, too, but had the cooperation of the Kennedy family.

"All that Joe McGinniss did was take Manchester's presentation of what Teddy did and do a rumination on it," Gwirtzman said. "He's written a novel about those facts."

The controversy is the latest in a series involving McGinniss, whose books include "The Selling of the President, 1964," "Blind Faith" and "Fatal Vision." After "Fatal Vision" was published, its subject, Jeffrey MacDonald, a former Green Beret who was convicted of murdering his family, sued McGinniss, contending that the author had charmed him into cooperating and then betrayed him with a damning portrait.

McGinniss eventually settled the case, paying MacDonald \$325,000. The case became the subject of a scathing essay and book by Janet Malcolm, who herself was the defendant recently in a similar case.

Author Assails His Publisher

BOSTON — Joe McGinniss has denounced his own publisher for suggesting that some parts of his forthcoming biography of Senator Edward Kennedy were "created by the author."

A disclaimer in early versions of the "Last Brother" was "a really foolish thing to do," McGinniss said.

He acknowledged that some references to Kennedy's thoughts were "inferred," or that he wrote what he "sensed Teddy must have been feeling." But McGinniss said

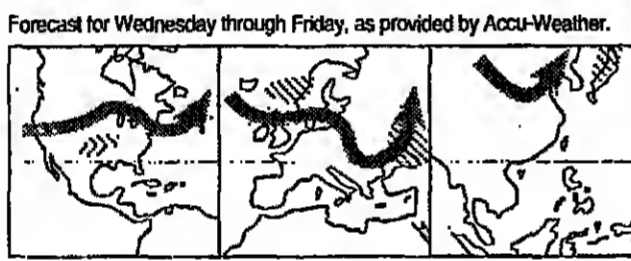
"That falls well within the realm of legitimate biographical license. You can certainly infer a thought process from behavior. None of these reactions are either aberrational or even startling or even uncomplimentary to Teddy."

McGinniss, in an interview with the Boston Sunday Globe, said he would insist that the disclaimer be removed. "I let the lawyers put the disclaimer in the front of the book because I've learned over the years that it's better not to argue with lawyers," he said.

WEATHER

Table with weather forecasts for various regions including Europe, North America, Middle East, and Oceania.

Forecast for Wednesday through Friday, as provided by Accu-Weather.



North America: The nation's midsection, from West to Chicago, will have hot weather late this week with only a small weather much at this week. Scattered rains will move into France and northern Spain. Italy will be warm with scattered thunderstorms by Wednesday. Thursday and Friday will be sunny and progressively warmer.

Table with weather forecasts for various regions including Europe, Asia, and Latin America.

CROSSWORD

Crossword puzzle grid with clues for Across and Down.

NEW YORK TIMES, edited by Eugene Malachuk.

Crossword puzzle grid with clues for Across and Down.

PEOPLE

Now It's Official: Yorks Go Their Separate Ways
The Duke and Duchess of York formally separated on Monday. A Buckingham Palace spokesman said the estranged couple, Prince Andrew, Queen Elizabeth's second son, and the former Sarah Ferguson, will continue to lead their own lives. He said the couple wished to end recent speculation of a reconciliation. The couple have two daughters, Beatrice, 5, and Eugenie, 3.

Julia Roberts finally made it to the altar, marrying the singer Lyle Lovett in Indiana. The 25-year-old actress, who called off her marriage to Kiefer Sutherland just hours before the ceremony two years ago, met Lovett, 35, while they were filming "The Player" in 1992. It was the first marriage for both. Susan Sarandon and Tim Robbins were among the guests, and their 4-year-old son, Jack Henry, was the ring bearer.

The pop star Whitney Houston was taken to a Miami Beach hospital after overdosing on prescription diet pills, according to the New York Post. Houston, 29, was apparently frustrated by the weight she put on during her recent pregnancy and became even more depressed after an encounter last month with a divaite Janet Jackson, who once dated Houston's husband, the singer Bobby Brown. She was diagnosed with acute heart arrhythmia and released about 90 minutes later. When she married last year, Houston weighed 100 pounds (45 kilograms). Since giving birth to a daughter in March, she has weighed 140 to 150 pounds, the Post said.

Half a million people gathered over the weekend to hear Luciano Pavarotti sing in Central Park in New York for what one fan dubbed "an Italian Woodstock." The Italian tenor finished his performance with an encore of "Nessun dorma" from "Turandot." "Beautiful people, in the name of all of us on the stage and in the name of all the organizers, we thank you very much for this incredible night you are giving to us," Pavarotti told the crowd before he left the stage.

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